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Editorial AS WE SEE IT

"It is now clear that President Kennedy has a dynamic and constructive policy as well as a program, and what is equally important he has a will and determination to carry them out," ex-President Truman dutifully and perhaps pridefully remarked the other day, adding that the prestige of the United States abroad is being restored, or words to that effect. It is evident enough, of course, that the new President has a policy. It would be much nearer the mark to say that he has many programs and is not in the least hesitant about sending them along to a somewhat reluctant Congress. Whether any or all of these are "constructive" is a matter of opinion which, we are certain, differs, often very sharply, from that expressed by former President Truman. So far as policy is concerned, it is clear as anything could be at this time that President Kennedy has taken a leaf from the notebook of Franklin Roosevelt, and intends to make his first 100 days so occupied with his demands that there will be little time for the formulation of rival programs or for the rise of competitive leadership—or so he hopes at least.

A' la Roosevelt

These were the tactics of Franklin Roosevelt, of course, and they gave birth to what has since been labeled the New Deal. The situation by which President Kennedy is faced is, however, basically different in many respects from that with which President Roosevelt had to deal when he reached the White House in 1933. These differences are quite evident to the thoughtful observer and are already placing their imprint upon day-to-day events. We suspect that they will be more and more conspicuous as time passes.

In the first place, when Franklin Roosevelt entered the White House in early March, 1933, the country had passed through three or four years of the most devastating depression in its history, a depression which was obviously the aftermath of the follies of the Nineteen-Twenties. Hardship and suffering (Continued on page 24)

The Causes of Our Gold Losses And the Problem of Devaluation

By Dr. Arthur A. Smith,* Vice-President and Economist,
First National Bank in Dallas

Texas banker-economist contends circumstances causing gold drain problem are avoidable. If they are not checked, Dr. Smith believes gold will have to be abandoned, embargoed, devalued, or our reserve ratio lowered. The banker enumerates devaluation's probable results in terms of domestic money supply, price level, world's foreign exchange rates, stocks and bonds, and real estate. He concludingly warns there is no perfect hedge against inflation, and blames unrestrained money doctors for the threat to gold.

A problem of major popular interest for several months now has been the decline of our gold reserves.

How critical is our gold situation? Total gold holdings of the Treasury fell to \$17,615 million as of Jan. 11, 1961, lowest since 1939. How bad is this?

So far as our money situation is concerned, we are still quite far above legal minimum reserve requirements. The law says that Federal Reserve Banks must keep a gold certificate reserve of 25% of note and deposit liabilities combined. These gold certificates are what the Feds hold in lieu of actual gold since the gold itself is held by the Treasury.

As of Nov. 30, 1960, the 12 Federal Reserve Banks together owned \$18,058 million worth of gold certificate reserves. At that time, Federal Reserve note liabilities amounted to \$28,006 million and deposit liabilities to \$17,924 million, making a total of \$45,930 million, against which 25% in gold certificate reserves have to be kept. Obviously only \$11,482

million in gold certificate reserves were legally necessary at that time, but the system held \$18,058 million. So gold certificate reserves were 38.3%, not 25%.

In other words, our gold supply could be reduced by another \$6½ billion or so without endangering the legal minimum behind our present quantity of money. Of course, such a reduction undoubtedly would have a serious psychological effect.

The thought persists that some day the government will have to raise the price of gold, and maybe it will, but circumstances as yet do not compel it. Furthermore, we could do other things—say, lower the gold certificate reserve requirement to 20%, or 15%, or 10%, or what have you.

It used to be higher (40% against Federal Reserve notes and 35% in gold or lawful money against deposits held by the Fed); so, since it is man-made, it can be man-changed. And gold could be embargoed.

Playing the Gold Game

Maybe many of us are worrying unnecessarily about our gold position. It might be a good thing for gold to be distributed a little more widely among other nations. That would be an inducement for us to set about getting it back, since the rest of the world would have something to pay with when buying our goods.

If you ever played marbles "for keeps" when you were a boy, you will remember well that when one fellow became so good at marble playing that he won all or most of the marbles, the game had to stop and you played something else, going back to marbles only after you and the other losers had gotten possession of some more marbles. Rarely did the winner show enough compassion to give you back any marbles (and it would have taken something out of the game, if he had), but you bought some more at the store when you had a nickel or a dime or you bought from the winner, or traded a knife, ball, or (Continued on page 22)



Dr. Arthur A. Smith

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Brunson Instrument Company

Brunson Instrument Company is a firm supplying the missile and atomic industries with precise optical measurement devices which aid in controlling the trajectory of a missile, recording the minute variations in the missile's shell, and finding out what happens when the "heat" is turned on. This stock appears depressed relative to the price earnings ratios of other "glamour stocks". Selling below \$13, it is currently just under 10 times the estimated earnings for 1961. Sales for the coming year are estimated to be \$1.5 million, an 88% increase over 1960. Earnings on those sales should be between \$110,000 and \$130,000; \$1.29 and \$1.50 per share. With a projected multiple of 15 to 20 times earnings, the stock appears to be an attractive speculation in the \$13 to \$15 range. The company has a low capitalization with only 92,631 shares outstanding.

Starting just after the war in Amber N. Brunson's basement, the company grew in 10 years to four plants located in the Kansas City area. In 1960 after deciding to consolidate these sites and move to a vibration-free limestone cave, the central plant was struck by fire. Although this hampered operations, at the time, they are now in their new home 75 feet beneath the Kansas City suburbs where they have 175,000 square feet of space in which to carry on their precise operations.

During 1958 the company earned 70¢ per share on sales of \$1,128,734. Profits were cut to some extent by a line of surveying instruments which were sold at a loss and have since been discontinued. In 1959 sales continued at the same level but earnings fell to 29¢ per share. Many factors contributed to this decrease in earnings including the inefficiency inherent in the disjointed four plant operation that existed at that time. In 1960 sales declined to approximately \$800,000 and the company suffered a deficit, largely because of the fire. During the same year the stock declined from a high of \$17 to approximately \$7 1/4.

A recent issue of "Missiles and Rockets" states that Defense Department spending in 1961 for optical measurement devices alone will run between \$3 and \$4 million. Assuming that Brunson is able to continue to split the market with their major competitor (Keuffel & Esser), direct defense department sales for this year would be \$1.5 million. Present installations include the "Polaris" submarine fleet, missile launching pads, and atomic installations.

In addition, the company is expanding fully its exploration of all applications of optical tooling instruments to industry. In the words of Mr. Amber Brunson, "Our industry is an old one, but there has been only a limited use for it. Now with missiles and other specialized devices, there is a great need for it. Almost everything in missile construction and guidance depends on optics."

Some non-recurring income should be forthcoming since the company is covered by business interruption insurance and should be at least partially reimbursed for its losses. No claims have as yet been filed because the extent of the loss is not presently determinable. It is estimated that on sales of \$1.5 million, the company could earn approximately \$1.40 per share in 1961. The new plant site, consolidated operations, increased sales, and the insurance recovery should do much to reverse the deficit experienced in 1960. I recommend the purchase of Brunson Instrument Company common shares to those individuals able to afford the risks of a small growth company and willing to forego current income for the long-term growth potential which seems inherent in this security.

HUGH D. STIER, JR.

Investment Analyst, Granbery, Marache & Co., New York City
Members: New York Stock Exchange,
American Stock Exchange,
Midwest Stock Exchange

Radio Shack Corporation

A field which has recently opened up to public investors is that of electronics distribution, one which has grown about 14% per year in the last 10 years.

Radio Shack is a large, rapidly growing distributor of a wide line of electronic parts and equipment and high-fidelity components to industrial, institutional and individual customers.

Sales have more than tripled in the last four years, reaching \$12.6 million in the year ended June 30, 1960. Earnings per share have increased more than sixfold over its average of 1956-1958.

Years to June 30	Sales (Mil.)	Earnings Per Share
1960----	\$12.6	\$1.03
1959----	9.2	0.42
1958----	5.6	0.12
1957----	5.7	0.22
1956----	4.1	0.17

In the first quarter of the current year through Sept. 30, 1960, sales rose 33.7% and earnings per share increased from \$0.05 to \$0.13, over the like quarter a year ago. These results exclude a non-recurring gain of about \$0.11 in the 1959 period. Sales in the second quarter rose at a slightly higher rate. For the full year sales are expected to reach \$17.0 million and earnings per share may reach \$1.10 on 584,651 shares now outstanding. Beyond fiscal 1961 sales and earnings are expected to rise at least 15% per year, which is about the recent rate of growth for the industry as a whole.

Radio Shack utilizes three main

STATISTICS

	1961	1960	1959	1958
Sales -----	\$1,500,000	\$800,000	\$1,124,309	\$1,128,734
Gross profit-----	250,000	80,000	180,379	232,977
Net earnings -----	120,000	—50,000	27,012	65,014
Earnings per share	\$1.40	—\$0.56	\$0.29	\$0.70
Shares outstanding	92,631	92,631	92,631	61,131

(This is under no circumstances to be construed as an offer to sell, or as a solicitation of an offer to buy, any security referred to herein.)

**This Week's
Forum Participants and
Their Selections**

Brunson Instrument Company—
W. Gene Gerard, of White & Co., St. Louis, Mo. (Page 2)

Radio Shack Corporation— Hugh D. Stier, Jr., Investment Analyst, Granbery, Marache & Co., New York City. (Page 2)

channels of distribution: mail order, retail and industrial. In its mail order division the company made nearly 250,000 shipments to customers in every state and in many foreign lands in fiscal 1960. Sales are made primarily to high-fidelity enthusiasts, engineers and technicians, radio amateurs, radio and television servicemen, electronic experimenters and hobbyists. Customers are contacted through an annual consumer catalogue (192 pages in 1960) and other promotional flyers. At its Boston headquarters the company believes it has the best designed and most efficient name gathering and addressing system in the industry.

Radio Shack operates five retail stores at present and plans to open about two stores per year in the future. Two present stores are located in Boston and one each is in New Haven, Stamford and Hartford, Conn. Most are large, semi self-service units featuring the entire electronic parts, consumer record and high-fidelity lines. All stores should receive overnight delivery service from the company's large warehouse on Commonwealth Avenue in Boston.

In its industrial division the company sells electronic parts and equipment to more than 10,000 customers, many of whom have become concentrated in the Boston and New England areas in recent years. Customers include electronics manufacturing concerns, schools, research and development laboratories, firms using electronic equipment in their operations and governmental agencies. Sales are made through outside salesmen, by telephone and through the mail through an annual industrial catalogue (290 pages in 1960) and special flyers. In addition to the main plant in uptown Boston, industrial sales units are operated at New Haven, Stamford and Hartford in connection with retail stores.

Radio Shack distributes the lines of many manufacturers in the various segments of its business. Electronics parts and equipment are supplied by Amphenol-Borg, Chicago Standard Transformer, Hughes Aircraft, General Electric, International Resistance, R. C. A., Sprague Electric, Transistron and many others. In addition, the company engineers, designs and subcontracts the manufacture of its own brand products under the Realistic, Archer and Micronta trademarks.

Altogether in fiscal 1960 the private brand products accounted for close to 10% of sales.

Radio Shack was founded in 1921 and has been continuously run since by members of the Deutschmann family. Milton Deutschmann became President in 1935 and has served in that post continuously since. He is now 54. Second in command is Timothy X. Cronin, Executive Vice-President and Controller, who is 36. A Harvard Business School graduate, he is concerned with corporate planning, finance and general operations. In addition, the company has many other talented people with merchandising, electronics and engineering backgrounds.

In October, 1960, the company sold 150,000 common shares and selling stockholders sold 50,000

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The Outlook for Business And the Stock Market

By Julian D. Weiss,* President, First Investment Company, Inc.,
Los Angeles, Calif.

Scrutiny of likely changes in the components of GNP adds up to a prediction of continued short-term moderately downward drift followed by upward trend in 1961. Stocks for the long-term are recommended as is selectivity and defensive position in municipals and utility equities for the short-term wherein market risks are expected to be probably greater than they have been at any time in recent months. Mr. Weiss concludes his forecast for 1961 with a list of industry groups and issues he favors.

Forecasting is fraught with peril. However, it is necessary to forecast from time to time. George Eliot once said: "Among all forms of mistake prophecy is the most gratuitous." Subject to this limitation, it's very interesting at the present time to evaluate the business and market outlook for the coming year. It is quite apparent that there is considerable disagreement between economists, not only with regard to the outlook for 1961 but even as to where we are and where we have been. Many economists claim that we have not been in a recession, while others indicate that the evidence definitely points to recessionary characteristics that are gaining in strength. Without getting into any disputation with reference to semantics, it does appear that the economy has been undergoing a readjustment but that it has been mild in character. There is no question but that there has been some softening in the business picture, particularly recently. A number of the lead indicators are pointing downward. Some indicators peaked out in the January-June 1960 period. In general, to the degree that a high point could be alluded to as a previous peak, on an overall basis it would appear to have fallen somewhere in the May or June period of 1960.



Julian D. Weiss

Our objective is not to present a mass of statistics and comment on unrelated data. Rather, it is to get an overall view of the economy on a comprehensive basis so that we can evaluate:

(a) where we are today (and the causal factors that entered into the decline)

(b) the implications thereof and analysis of probable trends in the private and public sectors of the economy as a basis of estimating what is likely to take place in 1961.

Nineteen hundred and sixty proved to be a disappointing year. However, this largely is in relation to the over-optimistic forecasts and expectations expressed by most forecasters at the start of the year.

I'm glad to state that we did not share these very optimistic expectations. Among other things, our forecast of January 1960 in-

dicated that, while corporate volume could be expected to increase comfortably, the increase in costs would quite fully offset this, and therefore we did not share the belief that there would be a material increase in profits. Actually, 1960 profits probably worked out a shade below 1959. With reference to the stock market, we stated our conclusions a year ago, as follows:

"(1) This is not a time to aggressively increase risk by buying speculative equities.

"(2) Caution must be exercised, particularly in the area of purchasing 'romance stocks' which in many cases are selling at 40 or more times earnings.

"(3) Portfolios should be in a balanced position, with a good backlog of bonds (particularly convertible bonds where obtainable reasonably close to a money market basis) and defensive-type common stocks as, for example, the public utilities. There is a sound basis for buying municipal bonds for investors in the higher tax brackets."

Last Year's Performance

It's important to see what actually did take place in 1960 before we adduce our conclusions relative to 1961. On an actual overall basis, while certain sectors of the economy did sustain a rather unfavorable performance, other aspects shaped up very well, as, for example:

(1) Personal consumption expenditures jumped by about \$14 billion to \$328 billion.

(2) In 1960 gross private domestic investment slightly surpassed the 1959 peak of \$72 billion, and totalled around \$73 billion.

(3) Net exports increased substantially as we predicted a year ago.

(4) Gross National Product was up \$21 billion to \$503 billion. National income was up \$18 billion to \$418 billion. Personal income of individuals was up about \$21 billion to \$404 billion. Farm income was a shade higher at \$34.1 billion. Employment averaged 66½ million persons, compared with 65.6 million the year before. (These are average figures for the respective years.) Unemployment was up very slightly to around 3.9 million persons, compared with 3.8 million the year before. Consumer prices were stable and were up relatively in minor degree, say, about 1%. The auto industry turned in a very good year, with total sales up very nicely to around 6.7 million units. Plant

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OBSERVATIONS...

BY A. WILFRED MAY

WASHINGTON—Exceptionally good clues for answering that current \$64-question, "Just How Welfare-ish are our New Frontiersmen?" are supplied via this week's economic intra-national Summit Meeting, participated in by the President, with the Vice-President and three other Cabinet members; foregathered here with a group of industrial leaders. Monday's (Feb. 13) all-day proceedings as arranged by the National Industrial Conference Board, took the form of a round-robin, in which our new Administration leaders fully discussed, with full question-and-answer intervals, their preliminary programs and underlying philosophies.

An extra measure of zest and urgency was conferred on the meetings by reason of the simultaneous appearance on the front page of a daily financial newspaper of a Washington datelined story to the effect that governmental price and wage controls are in the offing. (Promptly denied at the meeting by Secretary of Labor Goldberg.)

Our "net" impression was of chameleon-like ideological coloration ranging from Secretary Ribicoff's advanced welfarism in education and health, along with Labor Secretary Goldberg's almost equally advanced *Frontiering*, and V.-P. Lyndon Johnson's pre-1964 rehashing of doctrinaire New and Fair Dealism on the one hand; to Secretaries Rusk and Hodge's appreciation of free enterprise, national and international, on the other approach—with the President giving a strong impression of standing-in-the-middle.

This appraisal of Mr. Kennedy's present attitude is substantiated by the impression, derived from off-the-record opinions of Federal Reserve officials, as well as his recent press conferences; of an extended honeymoon period of non-interference by the Executive with monetary and credit management.

The Significant Expressions

Here are some of the key thoughts as respectively expressed at the Conference, including our paraphrasing of impromptu statements made during the question periods (excepting the President and Vice-President who did so participate).

From the Under Secretary of Health, Education, and Welfare, Mr. L. A. Nestingen (pinch-hitting for Health-Boss Ribicoff because of his own health's impairment). The Federal Government must "do the trick." Federally financed education represents a crying need. Financing should be by contribution to the states by the

Federal Government, which would retain control (financial, but not educational, he insisted).

(Answering the broad question, "How can you justify generally increased welfare outlays when the Federal budget is being strained by the demands of unemployment?"): Government can do both. Helping welfare also cures unemployment, through stimulus to economic activity. They are one and the same thing.

By Secretary of Labor Goldberg.

The government must extend unemployment relief funds to the states in the form of gifts in lieu of repaying debt financing. The unemployment tax base must be raised. Budget deficitteering is justified in slow times. The minimum wage must be increased. Foreign aid cannot be curtailed.

By Vice-President Johnson.

"More Welfare" and "Planning" are decried by conservatives as "dirty words." Actually, we are in a permanent New Era of governmental direction. The country is composed of Pockets of Poverty along with Pockets of Prosperity. There are too many children overcrowding our streets and classrooms.

The existence of Recession is being denied in fear of government intervention.

By Secretary of State Rusk.

National development is not an exportable commodity. The recipients of aid must join in the helping. Latin American countries must help themselves more, in lieu of dependence on us.

The private investor abroad must be better protected. Also, the government must put new energy into helping businessmen develop additional trade opportunities.

In the case of Secretary of Commerce Hodge, it was through development of atmosphere rather than any specific statements that implies his free enterprise-ism.

In the case of PRESIDENT KENNEDY. The denial of price and wage fixing plans, although voiced earlier in the program by (his) Secretary Goldberg, realistically must be credited to the President himself.

To provide additional stimulus to industrial plant replacement, he will promptly propose to the Congress a new tax incentive plan (presumably, accelerated depreciation in some form) to expand investment in plant and equipment.

"CONFLICT-OF-INTEREST"—The Need for Legislation

"Very few people really know what the conflict-of-interest statute really means. If it is carried

out literally, why, we could be in all kinds of trouble with people who are completely honest but who would be in violation from the technical standpoint. . . . Congress has an obligation to state clearly and in unequivocal terms the conditions under which people can come into Government from business and hold securities."

This crucially apt conclusion was voiced by Senator Henry Jackson during the recent hearing on the nomination of Robert S. McNamara, then Secretary of Defense-Designate, before the Senate Committee on Armed Services.

We suggest that the mess in which the Conflict-of-Interest situation is thus mired, must be remedied by the enactment of a new definitive and comprehensive statute. And this should be recognized as financial legislation, apart from other qualifying tests, and so devised for uniform application.

Inconsistency at the Treasury

The present inconsistencies and general difficulties under the present statutes, will, or should, be highlighted during the latter part of this week with the distribution of the U. S. & Foreign Securities Company's 1961 proxy-soliciting statement. This is an investing company, closed-end and listed, owning a generally diversified portfolio—but with 36.3% of its total assets in oil companies common stocks. The proxy statement will show that the holding which the Senate Finance Committee has permitted our new Secretary of the Treasury to retain totals 273,000 shares, having a market value of \$8 million; that his father, Clarence Dillon, is a director, owning 68,000 shares, which have a market value of about \$2,000,000; and that his sister Dorothy Dillon Spivak is another director with 583,930,800 shares, worth \$17,300,000—these holdings contributing to the total family interest of about 38% of the outstanding shares, with a total market value of \$38,000,000.

Our point is not that the Treasury Secretary's key position in recommending tax policy regarding the now favored tax position of the oil industry might constitute a real conflict of interest, (although Economic Advisers Chairman Heller has advocated sharp reduction of the depletion allowance on oil and gas). We merely would point out the inconsistency displayed by the Senate Committee in nevertheless permitting him to keep this investment. (Reading of the Senate Committee record indicates the Committee's miscomprehension of the investing company's nature.)

Furthermore, U. S. & Foreign is now engaged with the Treasury in a sizeable Federal income tax controversy, via a notice of a proposed assessment for back taxes, for which the company recently set up an \$8,600,000 reserve. While the Secretary has no direct connection with the Internal Revenue Service, such a situation under the present inconsistent statute, might excite the interest of the "conflict-of-interest" watch dogs. We, of course, are suggesting no implication that Secretary Dillon is harboring a conflict of interest; but merely suggesting his U. S. & Foreign Securities status as exemplifying the difficulty attached to the government and the individual, in defying and avoiding it.

WHAT'S AHEAD FOR NEW SEC REGULATION?

Extension of Federal securities regulation to the vast unlisted securities area (the over-the-counter market), for so long a hyper-controversial issue, will be the number one discussion item on

the new Administration's regulatory docket.

Taditional Barn Door

The aim is to repair the still outstanding loop-hole, or barn-door, which exempts companies whose securities are dealt in the over-the-counter markets, from affording the investor with the protections in reporting, proxy solicitation and "insider" trading, that apply to those companies which are listed on exchanges.

It is widely believed that such coverage, successfully resisted over the years by the far-flung and thus politically "articulate," will now be legislated—and for the following reasons:

(1) Former Senator J. Allen Frear, framer of the would-be effectuating bill bearing his name, sponsored since 1947, is a Kennedy appointee to the SEC.

(2) Mr. Landis, the President's adviser and working expert on the regulatory agencies, reversing his former attitude when functioning as SEC Chairman, now in his widely published report advocates such extension of power (with restrictions.)

Such prospect of effective legislation we still believe to be quite questionable. We must remember that there has been no lack of support by the Commission in the past. The Commission has been advocating such legislation over the past 15 years, supported by major studies made in 1955 and 1956, with its latest major Congressional offensive occurring in 1958. Mr. Frear, as a Senator and even sometime Chairman of the subcommittee handling such legislation, has been unsuccessful in getting it through. Hence, in the view of the fact that both the bodies having been most willing-but-unsuccessful, it is not evident how Mr. Frear's transfer from one to the other will do the trick.

If the Task Force going into the overall securities regulation status should back such remedial action with strong conclusions, and more strongly and unequivocally than does Mr. Landis, this would be more effective, though not by any means politically conclusive.

MAJOR BREAK IN THE FUNDS FRONT

Reform of abuses inherent in mutual fund management companies' set-ups, in the face of the snagging in the courts of the SEC's past efforts, may well be revived now by a most timely and surprising event (termed actually "astounding" by one of the industry's leaders).

The Lazard Fund and its affiliated manager, the investment banking firm Lazard Freres, both so highly respected leaders in their fields, have agreed on a proposed settlement and compromise of a public stockholder's law suit. The stockholder's complaint alleges among other things that the investment advisory fee paid by the Fund to the interlocking managers pursuant to contract between the two, is unfair in that the contract was not the result of arms-length bargaining; that there has been trading in Lazard Fund's portfolio securities which has been harmful to the Fund and its shareholders; that Lazard

Freres has received substantial sums from Lazard Fund in brokerage commission at the customary rates in connection with the execution of transactions in Lazard Fund portfolio securities, and that Lazard Freres has paid substantial sums to other brokers out of those brokerage commissions for unspecified services rendered solely to it.

Fee Cut Effectuated

The joint stipulation of settlement and compromise (which is being submitted to the Court) to which the Fund and the managers have agreed "in order to avoid further expense and the distraction of burdensome and protracted litigation and to put to rest all controversy," provides that Lazard Freres agrees to enter into a new advisory contract with the Fund providing for a sliding scale of fees, replacing the present quarterly rate of 1/4 of 1% quarterly, or 1/2 of 1% annually, on the total net assets; with a sliding scale computed, on an annual basis, as follows: 1/2 of 1% of the first \$100,000,000 of the net assets; 3/32 of 1% of the next \$50,000,000; and 1/16 of 1% of the excess over \$50,000,000.

Interestingly, a partner in the firm which is the legal counsel for the Fund has in the past publicly advocated, as a quite minority voice in the industry, the equity of just such sliding-scale arrangement.

Repercussion

The amount of dollar saving involved in the Lazard revision is small. But with the thus instigated open invitation to sue, coming on top of the 25 or so similar suits already pending, the pressure for the sliding-scale reduction technique may well become irresistible.

While this will inure to the benefit of Fund shareholders generally, the potential damage on the market's pricing of the once so popular publicly-held management company securities, is obvious.

In its legislative, as well as financial impact, the present action is portentous (despite the fact that these defendants are, of course, innocent of any wrongdoing). For by itself, and in setting-off additional law suits, greatly enlarged attention of the public as well as the millions of fund shareholders will be concerned with abuses, including those outside of fee-charging, which are so greatly intensified in the profit pressured publicly-held management units.

With Nat'l Secs. Research

William G. MacDonald has joined National Securities & Research Corporation as a wholesale representative in the states of Connecticut, Rhode Island and parts of Massachusetts, it was announced by Henry J. Simonson, Jr., President.

In his new position, Mr. MacDonald will work under Ira Jones, Vice-President in charge of the New England territory.

Mr. MacDonald has been associated with a prominent investment company as a wholesaler in the Northeastern states.

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The State of TRADE and INDUSTRY

Steel Production
Electric Output
Carloadings
Retail Trade
Food Price Index
Auto Production
Business Failures
Commodity Price Index

The country confronts at least three key economic problems in 1961: "the business recession at home, our balance-of-payments deficit with the rest of the world, and the vital need for stepped-up long-term economic growth," the Federal Reserve Bank of New York observes in *Perspective on 1960*, its informal supplement to its regular *Annual Report*. The three-pronged challenge facing us will require flexibility in devising and applying monetary, fiscal, and other public policies as well as a high degree of private initiative and ingenuity.

The year 1960, *Perspective* points out, was a difficult year for monetary policy. "Early in the spring, when some slack in the economy became discernible, the Federal Reserve started to feel its way from monetary restraint to ease, and ease prevailed throughout the second half of the year. But while the System contributed what it could to renewal of expansion, monetary ease brought new problems, for the decline in interest rates here, when interest rates abroad were relatively high, aggravated the serious deficit in the country's international payments position."

In the second half of the year, as monetary policy moved on to outright ease, the Federal Reserve took several measures that would ease credit without large-scale interest-depressing Fed purchases of Treasury bills. Member bank reserves were liberalized, mainly through permission to count larger portions of their vault cash holdings — and ultimately all of them — as part of reserves. Reserve requirement ratios for central reserve city banks were reduced to reserve city bank levels during the year, while those for country banks were raised in view of the relatively greater benefits these banks received from the vault cash changes. And on several occasions open market operations were broadened to include certificates, and short-term bonds and notes, as a means of moderating the impact of such operations on Treasury bill rates.

The decline in short-term interest rates was pretty much at an end by August or September. Interest rates on long-term Government securities moved only slightly lower in the second half. Business, states and municipalities floated a relatively high volume of securities during the second half and the liquidation of Government securities to meet business needs for cash put additional pressure on the markets. At the year end, long-term rates were still well above the levels reached in prior recessions, and sectors of the economy, such as construction, that are normally sensitive to these rates, continued to be weak.

Bank Clearings Were 23.7% Above Corresponding Week Last Year

Bank clearings last week showed an increase compared with a year ago. Preliminary figures compiled by the *Chronicle* based upon telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, Feb. 11, clearings for all cities of the United States from which it was possible to obtain weekly clearings was 23.7% above those of the corresponding week last year. Our preliminary totals stand at \$25,870,155,943 against \$20,914,705,128 for the same week in 1960.

Our comparative summary for the leading money centers for the week ended Feb. 11 follows:

Week Ended	(000s omitted)		
Feb. 11—	1961	1960	%
New York	\$14,486,130	\$10,162,769	+42.6
Chicago	1,182,321	922,721	+28.1
Philadelphia	921,000	786,000	+33.1
Boston	711,369	692,069	+2.8

Harsh Weather Affects Both Steel Consumption and Production

Harsh weather has hurt both steel consumption and production. *Steel* the metalworking magazine, reported.

Storms that swept much of the nation in late January and early February snarled transportation, delayed shipments, and slowed plant operations.

They brought construction, mining, quarrying, and other outside activities almost to a standstill.

Finally, they kept potential new car buyers out of dealer showrooms. January sales were the lowest in several years.

Once the weather moderates, demand for steel is expected to accelerate.

Production continues to move sideways with only minor fluctuations in store for the balance of the month. Operations still hover around 50% of capacity.

Ingot production this week will probably be close to the 1.5 million tons that *Steel* estimates the industry produced in the week ended Feb. 11. Output then was 0.5% above the 1,492,000 tons poured in the week ended Feb. 4.

Steel's scrap price composite on No. 1 heavy melting grade held at \$32.67 a gross ton last week.

Demand from the automotive industry continues disappointing.

Auto production is running about 40% under what it was at this time a year ago. High stocks of new cars and low sales are holding down steel demand from this source.

The slowdown in steel use isn't all automotive, of course. Capital goods industries, such as machinery and construction, are a bigger factor in steel demand than autos.

When spending for plant and equipment is up, there's usually high employment and a strong market for durables.

Steel can do well when autos don't. In 1956, when only 5.8 million cars were built, steel ingot production was 115.2 million tons — second highest in history. In 1953 and 1957, years when 6.1 million cars were produced, ingot output was in excess of 111 million tons. 1960's auto production was 6.7 million, ingot output 99.3 million tons.

This year will be a dynamic one for stainless steel, the publication reports.

Technological advances now permit bright annealing of stainless steel so it maintains its appearance for a long time. And the new product costs no more than regular stainless (Type 430).

Producers of stainless steel also expect: New uses in autos (for example, stainless mufflers are to be installed in 1961 Ford Thunderbirds); important gains in architectural markets; a promising revival in aircraft markets; and heavier sales of stainless consumer goods.

They look for an upward trend in the sixties that will be spurred by new family formations and more disposable income.

Steel Production Data for the Week Ended Feb. 11

As previously announced (see page 26 of our issue Dec. 22) the American Iron and Steel Institute has materially changed its weekly report on the steel industry oper-

ations. The revised formula no longer relates production totals as a percentage of the industry's operating rate based on the Jan. 1, 1960 overall productive capacity. Instead, and effective Jan. 1, 1961, the output figures are given as an index of production based on average weekly production for 1957-59.

The revised method of reporting presents the following data: Production for week ending Feb. 11, 1961 was 1,524,000 tons (*81.8%) a 2.1% gain over previous week's output of 1,492,000 tons (*80.1%).

Production this year through Feb. 11, amounted to 8,824,000 tons (*78.9%), or 45.7% below the 16,256,000 tons (*145.4%) in the period through Feb. 13, 1960.

The Institute concludes with Index of Ingot Production by Districts, for week ended Feb. 11, 1961, as follows:

	*Index of Ingot Production for Week Ending Feb. 11, 1961
North East Coast	80
Buffalo	74
Pittsburgh	70
Youngstown	84
Cleveland	78
Detroit	86
Chicago	90
Cincinnati	85
St. Louis	99
Southern	75
Western	101
Total industry	81.8

*Index of production based on average weekly production for 1957-59.

Shutdowns and Inclement Weather Have Seriously Slowed Down Auto Production

More than 35,000 auto plant workers were idled this week and upwards of 66,000 will stay home next week in the continuing battle to keep dealer inventories in line with sales. *Ward's Automotive Reports* said.

Ward's said a host of shutdowns this week, including American Motors Corp. and Studebaker-Packard Corp., pulled U. S. car output down to 91,764 completions from 100,589 last week—an 8.8% decline. Bad weather also was a factor.

The statistical service said that with 49,500 GM Corp., 11,000 Chrysler Corp. and 6,200 Ford Motor Co. workers scheduled to be idled, the industry's operations next week will show a further decline.

Ward's said that some of the steadiest operations in the industry are being posted by Cadillac in Detroit and the Continental-Thunderbird site at Wixom, Mich.

With AM Corp. and S-P Corp. down this week GM Corp. took 58.2% of U. S. car output, Ford Motor Co. 26.9% and Chrysler Corp. 14.9%.

However, each of the Big Three have 5-day shutdowns planned for next week, including six Ford Motor Co. plants idling 6,200 workers and Buick-Oldsmobile-Pontiac plants at GM Corp., idling 49,500. In addition, Chrysler Corp. will idle its Detroit area operations and those at Newark, Del.

This week, Ford halted car assembly at Dearborn, Mich., Mahwah, N. J., St. Louis, Mo. Next week output at Atlanta, Ga., Chester, Pa., St. Paul, Minn., and Wayne, Mich. will be down plus car assembly at Louisville and truck output at San Jose, Cal. The Linden, N. J. Buick-Oldsmobile-Pontiac plant also was idled this week and Tarrytown, N. Y. for Chevrolet.

Electric Output 4.0% Higher Than in 1960 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, Feb. 11, was estimated at 14,744,000,000 kwh., according to the Edison Electric Institute. Output was 328,000,000 kwh. below that of the previous week's total of 15,072,000,000 kwh.

and showed a gain of 566,000,000 kwh., or 4.0% above that of the comparable 1960 week.

Freight Car Loadings for Week Were 15.4% Below Corresponding 1960 Week

Loading of revenue freight in the week ended Feb. 4, 1961, totaled 497,630 cars, the Association of American Railroads announced. This was a decrease of 90,351 cars or 15.4% below the corresponding week in 1960, and a decrease of 68,122 cars or 12.0% below the corresponding week in 1959.

Loadings in the week of Feb. 4, were 21,227 cars or 4.5% above the preceding week.

There were 9,955 cars reported loaded with one or more revenue highway trailers or highway containers (piggyback) in the week ended Jan. 28, 1961 (which were included in that week's over-all total). This was a decrease of 263 cars or 2.6% below the corresponding week of 1960 but an increase of 2,926 cars or 41.6% above the 1959 week.

Cumulative piggyback loadings for the first four weeks of 1961 totaled 38,152 for a decrease of 92 cars or two-tenths of 1% below the corresponding period of 1960, but 12,092 cars or 46.4% above the corresponding period in 1959. There were 55 Class I U. S. railroad systems originating this type traffic in the current week compared with 50 one year ago and 44 in the corresponding week in 1959.

Lumber Shipments for the Week Ended Feb. 4 Were 3.8% Below Production

Lumber shipments of 441 mills reporting to the National Lumber Trade Barometer were 3.8% below production during the week ended Feb. 4, 1961. In the same week, new orders of these mills were 7.8% below production. Unfilled orders of reporting mills amounted to 26% of gross stocks. For reporting softwood mills, unfilled orders were equivalent to 14 days' production at the current rate, and gross stocks were equivalent to 52 days' production.

For the year-to-date, shipments of reporting identical mills were 3.7% below production; new orders were 0.3% below production.

Compared with the previous week ended Jan. 28, 1961, production of reporting mills was 0.7% below; shipments were 2.9% below; new orders were 13.4% below. Compared with the corresponding week in 1960, production of reporting mills was 19.3% below; shipments were 16.6% below; and new orders were 23.1% below.

Intercity Truck Tonnage for Week Ended Feb. 4 was 8.8% Below Same Week in 1960

Intercity truck tonnage in the week ended Feb. 4, was 8.8% behind that of the corresponding

week of 1960, the American Trucking Associations, Inc., announced. Truck tonnage was an even 5% ahead of the volume for the previous week.

These findings are based on the weekly survey of 34 metropolitan areas conducted by the ATA Department of Research and Transport Economics. The report reflects tonnage handled at more than 400 truck terminals of common carriers of general freight throughout the country.

Compared to the preceding week, 32 metropolitan areas registered tonnage gains while only Portland, Oregon and Albuquerque terminals showed overall tonnage losses. Several of the week-to-week shifts were attributable to differences in the severity of weather conditions from city to city during this period.

Business Failures Edge Up for Feb. 9 Week

Commercial and industrial failures edged up to 376 in the week ended Feb. 9 from 368 in the preceding week, reported Dun & Bradstreet, Inc. Casualties exceeded considerably the 317 occurring in the comparable week of last year and the 292 in 1959. Some 18% more business succumbed than in the similar week of pre-war 1939 when the toll was 318.

Liabilities of \$5,000 or more were involved in 348 of the week's failures as against 319 in the previous week and 286 a year ago. On the other hand, small casualties, those with losses under \$5,000, dropped to 28 from 49 last week. Fifty-one of the failing concerns had losses in excess of \$100,000, rising from 45 of this size in the preceding week.

Tolls climbed among wholesalers to 42 from 30, among construction contractors to 77 from 65, and among service enterprises to 43 from 30. However, declines prevailed in retail trade, down to 160 from 181, and in manufacturing, off to 54 from 62. There were fewer retailers failing than in the similar week a year ago, but in other industry and trade groups casualties remained above 1960 levels. The steepest rise from a year ago occurred in services.

Forty-seven Canadian failures were recorded as compared with 69 in the preceding week and 43 a year ago.

Wholesale Commodity Price Index Dips Slightly in Latest Week

The general wholesale commodity price level slipped somewhat this week, with lower prices on grains, flour, sugar, steers and lambs offsetting increases on coffee, hogs, cotton, rubber and steel scrap. The Daily Wholesale Commodity Price Index, compiled by Dun & Bradstreet, Inc., stood at 268.63 (1930-1932 = 100) on Feb.

Continued on page 28

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TAX-EXEMPT BOND MARKET

BY DONALD D. MACKEY

In a quiet unobtrusive manner the market for tax-exempt bonds continues its firm trend. The tendency seems inspired by the simple factors of the marketplace — a good balance between supply and demand. Although earlier in the year the market seemed partly propelled by politico-economic factors deriving from the new Administration, these extraneous considerations have now given way to the more compelling orthodox technical factors.

Kennedy's New Look

As the new Administration emerges from its campaign image, derived from the perhaps fatuous oratory inherent in some of the more controversial platform planks, it thus far appears clear that a generally cautious approach to important domestic and foreign matters will likely prevail. The Presidential utterances before Congress, at press conferences and before other important groups must be considered as reassuring to those who had developed serious apprehensions as to his general attitudes on monetary, fiscal, labor and other pressing national problems as they were developed in the heat of campaigning.

Although the unfavorable balance of payments problem has by no means been resolved, it has been rather effectively sidetracked as a present danger by the forthright Presidential statements before Congress and before the press groups. This is but one of the recent reassuring developments.

For the present it would appear that the President's objective in regard to lower long-term bond interest rates and relatively higher short-term rates might be developing in an incipient sort of way. Since his message to Congress, long-term bonds have coincidentally or otherwise done better, while Treasury bill rates have moderately increased in terms of yield. Developing these somewhat antithetical ends to effective fruition is likely to be difficult for the President, the Treasury, the Federal Reserve or anyone else involved as time nurtured investment habits must of necessity be overcome. However, a laudable start has been made and within limits the objectives seems not unattainable.

No Pressure

The bond market, as we have pointed out, has been doing very well on its own. Government, state and municipal, corporate and other phases of the market are unusually free from outside pressures. Were business activities not to demand more of our banks and our investment bankers in the near future, the bond market level might likely rise even further despite present investor reluctance to rely upon bonds in traditional proportions; even those with tax exemption.

However, with the rigors of winter not far from extinction, it seems possible that the tenuous imbalance in the economy may topple in favor of the new frontier,

the country, the public, *et al.* This happy eventuation might cause some bond market adjustment but only to a relatively minor degree. Well recognized Treasury and Federal Reserve techniques might easily engender the desired stability to the bond market if necessary.

The development of a really heavy new issue volume in the tax-exempt and corporate bond markets seems unlikely for the near-term future. Large important capital requirement problems are usually resolved well in advance of flotation. Without a substantial calendar build-up, there is no serious bond market problem, short of unforeseen international involvement.

Municipal Calendar Enlarged

There have been sizable accruals to the state and municipal bond new issue calendar during the past week. A week ago the apparent schedule totaled little more than \$300,000,000. Now the total looms at over \$500,000,000. However, the present total is not considered heavy for this time of year and may be easily handled by the industry and by investors.

The largest new items on the calendar are \$100,000,000 Commonwealth of Kentucky general obligation serial bonds to be offered competitively, and \$100,000,000 State of New York Power Authority revenue bonds to be negotiated by the Dillon, Read and Company group. Both issues are slated to be offered in March.

Recent Financing

Underwriting this week turned moderately active. An interesting Georgia issue came to market on Tuesday. The State Hospital Authority of Georgia awarded \$8,600,000 lease-rental type revenue (1962-1982) bonds to the syndicate headed by White, Weld & Company and including Halsey, Stuart & Company, Inc., Lehman Brothers, Phelps, Fenn & Company, Shields & Company, and Stone & Webster Securities Corporation. The bonds were priced to yield from 1.60% to 3.35%. This well secured issue has met with fair investment demand. About half of the offering is out of account.

Yesterday (Feb. 15) witnessed the week's largest offering, \$32,550,000 Baltimore, Maryland various general obligation (1962-1993) bonds being awarded to a large group headed by The Chase Manhattan Bank, The First National City Bank, Bankers Trust Company, Morgan Guaranty Trust Company, Smith, Barney & Company, and Lehman Brothers. The bonds were reoffered to yield from 1.50% to 3.35% for the 1962-1988 maturities. The last five maturities (1989-1993) bore a 1/10 of 1% coupon and were priced to yield 4.20%. The dollar equivalents approximate 30. The investor reception is reported as good.

Also on Wednesday, \$6,900,000 City of Providence, Rhode Island general obligation (1962-1984) bonds were offered for public bid-

ding. Harriman, Ripley & Company, Lehman Brothers, Smith, Barney & Company, Stone & Webster Securities Corporation and others won the award in close bidding. The bonds were reoffered at yields running from 1.60% to 3.50%. Upon initial offering, over 50% of the issue was spoken for.

St. Louis, Missouri awarded, also on Wednesday, \$15,802,000 general obligation (1962-1981) bonds. Because of this city's splendid management and fine debt record, its issues always attract very highly competitive bidding. This time the winning group included The First National Bank of Chicago, The Chase Manhattan Bank, Harris Trust & Savings Bank, The First National City Bank of New York, Blyth & Company and many other underwriters. The reoffering price scale ran from 1.50% to a dollar price of 99½ for a 3% coupon. St. Louis bonds usually attract considerable portfolio and trust account interest. About one-third of the issue was sold on initial offering.

Yield Index Down

The South also came in for its share of high-grade investment funds on Wednesday. \$2,080,000 Louisville, Kentucky general obligation (1967-1998) bonds were awarded to the group headed by Lehman Brothers & Company, and including Hemphill, Noyes & Company and Goodbody & Company. Yields ran from 2.35% in 1967 to 3.40% in 1995. The last three maturities carried a ¼ of 1% coupon and were reoffered at a 4.00% yield. The issue is about 25% sold.

The *Commercial and Financial Chronicle's* high-grade state and municipal bond yield index averages at 3.23% as of Feb. 15; down from 3.24% a week ago. Dollarwise, this represents an average market gain of close to ¼ point. This same yield average prevailed during most of December and into early January. Yields then increased for a period of three weeks but thereafter have worked back to the December level.

The *Chronicle's* yield index gives no weight to revenue type bonds. Thus the recent gains made by many of our toll road bonds have not been reflected in the average. However, the Smith, Barney & Company Toll Road Bond Index expresses these gains dramatically. On Feb. 9, the last reporting date, the average yield was 3.70%. In early December this average stood at 3.87%. This indicates more than a 3-point market rise in the interim. This is more in line with the rise in corporate bonds in the same period.

Immediately Ahead

Next week's calendar is relatively unimportant due partly to the midweek holiday for George Washington. The feature is \$9,800,000 City of Dallas, Texas, water works and sewer revenue (1962-1981) bonds selling on Monday, Feb. 20. The next item in order of volume is an issue of \$8,000,000 South Charleston, West Virginia, sewer revenue (1962-2001) bonds to be awarded on Thursday, Feb. 26. Both are interesting revenue type issues. The largest general obligation issue involves \$6,370,000 Erie County (Buffalo), New York (1962-1974) bonds for sale on Feb. 23. Some further market gain seems likely.

Two With Bateman, Eichler

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Welcome F. Abbott and Ray W. Caldwell have become affiliated with Bateman, Eichler & Co., 453 South Spring Street, members of the Pacific Coast Stock Exchange. Mr. Abbott was formerly with Marache, Dofflemyre & Co. Mr. Caldwell was with Dempsey-Tegeler & Co. and Hill Richards & Co.

Larger Issues Scheduled For Sale

In the following tabulations we list the bond issues of \$1,000,000 or more for which specific sale dates have been set.

Feb. 16 (Thursday)

Cuyahoga County, Ohio	8,000,000	1962-1981	11:00 a.m.
Fairfield, Conn.	1,165,000	1962-1981	11:30 a.m.
Harrison County, Miss.	3,000,000	1962-1986	10:00 a.m.
Johnstown Municipal Auth., Pa.	5,000,000	1963-1986	Noon
Manlius, Pompey, Etc., Central School District No. 1, New York	2,280,000	1962-1987	2:00 p.m.
St. Louis County, Mehlville School District, No. R-9, Mo.	1,225,000	1962-1981	8:00 p.m.
South Charleston, W. Va.	8,000,000	1962-2001	11:00 a.m.

Feb. 17 (Friday)

New York (State of)	10,476,000	1962-1974	11:00 a.m.
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Feb. 20 (Monday)

Canton Local School District, Ohio	1,250,000	1962-1982	Noon
Dallas, Texas	19,000,000	1962-1981	1:45 p.m.
Illinois State Normal Univ., Ill.	4,000,000	1963-2000	11:00 a.m.

Feb. 21 (Tuesday)

Demopolis Waterworks and Sewer Board, Ala.	1,000,000	1962-2001	2:00 p.m.
Garden Grove Union High School District, Calif.	1,360,000	1964-1986	11:00 a.m.
Hamburg and Eden Central School District No. 4, New York	2,400,000	1961-1984	3:30 p.m.
Sycamore Local Sch. District, Ohio	1,300,000	1962-1981	Noon
West Branch Local Sch. Dist., Ohio	1,150,000	1962-1973	Noon

Feb. 23 (Thursday)

Chesterfield County, Va.	3,000,000	1962-1981	Noon
Erie County, New York	6,370,000	1962-1974	2:00 p.m.
Fond du Lac, Wis.	2,945,000	1962-1981	11:00 a.m.

Feb. 27 (Monday)

Florida Development Comm., Fla.	1,700,000	1963-1990	11:00 a.m.
Louisiana State Board of Ed., La.	1,517,000	1963-2000	10:00 a.m.
Natrona County School Dist., Wyo.	5,573,000	1962-1973	8:00 p.m.
Roxbury Township School District, New Jersey	1,720,000	1962-1980	8:00 p.m.
Santa Maria Joint Junior College District, Calif.	1,000,000	1962-1981	10:00 a.m.

Feb. 28 (Tuesday)

Alabama Education Authority, Ala.	30,000,000	1962-1981	11:00 a.m.
Charlotte, North Carolina	5,000,000	1962-1987	11:00 a.m.
Chillicothe City Sch. Dist., Ohio	1,500,000	1961-1981	10:00 a.m.
Columbia, South Carolina	2,500,000	1962-1990	Noon
New Mexico	2,000,000	1965-1966	10:00 a.m.
Pomona Unified School Dist., Calif.	1,060,000	1962-1981	9:00 a.m.
Prince Georges County, Md.	11,400,000	-----	-----
Shelby County, Tennessee	11,000,000	1962-1986	11:00 a.m.
South Hadley, Mass.	1,311,000	1962-1980	11:00 a.m.
Tucson, Arizona	5,000,000	1962-1991	10:00 a.m.

March 1 (Wednesday)

Austintown Local Sch. Dist., Ohio	1,155,000	1962-1981	Noon
Chicago, Illinois	30,000,000	1962-1985	11:00 a.m.
New York State Power Auth.	100,000,000	-----	-----
(Negotiated offering to be handled by Dillon, Read & Co. and Associates.)			
Omaha Metro. Util. Dist., Neb.	2,700,000	1962-1986	10:30 a.m.
South Park Indep. Sch. Dist., Tex.	2,500,000	1963-1985	11:00 a.m.

March 2 (Thursday)

Jefferson Parish, Fourth Jefferson Drainage District, La.	1,000,000	1962-1981	2:00 p.m.
North St. Paul-Maplewood Indep. Sch. Dist. No. 622, Minn.	1,000,000	1963-1989	8:00 p.m.
San Antonio, Texas	3,500,000	1964-1981	10:00 a.m.
Wharton Indep. Sch. District, Tex.	1,500,000	-----	-----

March 6 (Monday)

Pawaukee, Lisbon, Etc., Union High Sch. Dist. Jt. No. 6, Wis.	2,000,000	1962-1981	8:00 p.m.
River Falls Etc., Joint School Dist., Wis.	1,015,000	-----	7:30 p.m.

March 7 (Tuesday)

Alameda County Flood Control & Water Conservation Dist., Calif.	1,350,000	1962-1991	10:00 a.m.
Beauregard Parish, Parishwide School District, La.	1,950,000	1963-1981	5:00 p.m.
Denver, Colo.	15,000,000	1972-1999	11:00 a.m.
New Jersey	20,850,000	-----	-----
Portsmouth, Va.	2,300,000	1962-1981	11:00 a.m.

March 8 (Wednesday)

Houma, Louisiana	2,000,000	1963-1981	10:00 a.m.
Los Angeles Dept. of Water and Power, Calif.	12,000,000	-----	-----
St. Paul, Minn.	10,634,000	-----	10:00 a.m.

March 14 (Tuesday)

Duval County Board of Public Instruction, Fla.	15,000,000	-----	11:00 a.m.
Washington Sub. San. Dist., Md.	10,000,000	-----	-----

March 15 (Wednesday)

Kentucky (State of)	100,000,000	-----	-----
Santa Monica Parking Authority, California	1,500,000	1962-1986	10:00 a.m.

March 16 (Thursday)

Lower Cape May Regional School District, New Jersey	1,600,000	1962-1997	8:00 p.m.
University of California	2,750,000	1961-1988	10:00 a.m.

March 28 (Tuesday)

Wausau, Wisconsin	1,750,000	1963-1982	2:00 p.m.
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April 3 (Monday)

Jacksonville Expressway Authority, Fla.	40,000,000	2000	-----
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April 4 (Tuesday)

Los Angeles Flood Control Dist., Calif.	15,000,000	-----	-----
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MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California (State)	3½%	1978-1980	3.65%	3.50%
Connecticut (State)	3¼%	1980-1982	3.30%	3.15%
New Jersey Highway Auth., Gtd.	3%	1978-1980	3.25%	3.10%
New York (State)	3%	1978-1979	3.15%	3.00%
Pennsylvania (State)	3%	1974-1975	3.00%	2.90%
Vermont (State)	3½%	1978-1979	3.15%	3.00%
New Housing Auth. (N. Y., N. Y.)	3½%	1977-1980	3.35%	3.20%
Los Angeles, Calif.	3¼%	1978-1980	3.65%	3.50%
Baltimore, Md.	3¼%	1980	3.35%	3.20%
Cincinnati, Ohio	3½%	1980	3.30%	3.20%
New Orleans, La.	3¼%	1979	3.60%	3.45%
Chicago, Ill.	3¼%	1977	3.60%	3.45%
New York City, N. Y.	3%	1980	3.45%	3.35%

February 15, 1961 Index=3.23%

Beryllium—Bright Future For A Brittle Metal

By Dr. Ira U. Cobleigh, *Enterprise Economist*

Containing some field notes on the sources and uses of beryllium, and on the companies profiting from its expanded production.

Life was quite simple on this planet before we learned how to split atoms and navigate to Venus or the Moon. It was simpler for investors, too, when the only metals to be concerned with were familiar ones—iron, copper, lead, zinc and more recently, aluminum. Now this simple metallic inventory is for the birds! For the space and nuclear age we've added lithium, titanium, cerium, zirconium, magnesium, cadmium, and our topic for today—beryllium.

First thing you have to learn about beryllium is how to spell it. Then you learn why it's so sought after. Beryllium is one of the lightest metals in the world which gives it great utility in missilery, where every ounce is critical and requires just that much more "thrust" to get off the launching pad. (Aluminum weighs 50% more than beryllium.) Just lightness, however, is not enough—a metal must be strong as well. Beryllium is as strong as steel and since heat generated by friction is a space problem, "B" (for short) is attractive since it doesn't melt till 2,350 degrees Fahrenheit. Other desirable qualities possessed by "B" are resistance to corrosion, and superior conductivity of heat or electricity.

There have been some drawbacks to the metal, too. "B" is tricky to work with as it's brittle and not soft and easy to mold as is lead. It's also been very costly; and workers in the metal have frequently suffered from poisonous dust and fumes. And finally the basic ores, up until quite recently, have come from far away places such as Africa or India at a cost of as much as \$400 a ton. Beryl is a hard, lustrous mineral never found by itself but always in combination with others. (The emerald is the most elite member of the "B" family.)

Beryllium Problems Remedied

But all of these drawbacks to the use of "B" are being overcome. Research is producing an answer to the brittleness. Specially designed air conditioning systems syphon off the toxic atmospheric pollutions in modern factories. The price is coming down, too, although it's still around \$150 a pound in its final and finished state. Lower prices are on the way due to location of huge stores of "B" bearing ores in the Rocky Mountains. In Utah there has broken out a mining boom reminiscent of the uranium hunt in 1954-55. The early birds with the richest claim acreage were Vitro Corp., Beryllium Resources, Inc. and Brush Beryllium which swiftly joined them. Anaconda Corp. did some prospecting and came up with 2,000 "B"-prone acres in Nevada. So the ore will now come cheaper, since it's native; and sophisticated new processes are being used and developed which will reduce the cost of extracting beryllium oxide from the ores.

Uses of Beryllium

The rise of "B" has been swift and has occurred for the most part in the past decade. In 1951 less than 1,000 pounds of "B" were produced, now Brush Beryllium alone is turning out more than 12,000 pounds a month. All of which is accounted for by the insistent and beckoning markets in nuclear fission, metal alloys and space technology.

The Atomic Energy Commission has been the best "B" customer.

"B" is uniquely useful as an atomic reflector and moderator. It activates a steady bombardment of neutrons and keeps them from bouncing around a reactor at too lively or disorderly a pace. If peace time uses of atomic energy, particularly electric power generation, are to expand, then "B" has a lively future. It is a metal of major importance in the operation of an atomic energy power plant.

In standard aircraft, "B" should become increasingly important because of its significant weight saving. Conceivably an air frame might be made almost entirely from "B". In rockets and missiles a variety of uses have been found where both lightness and heat resistance have been urgently sought. In the structure, in rocket propulsion assemblies, and in nose cones, "B" has now become indispensable. The nose cones would never come back to earth in one piece unless the frictional heat of the atmosphere was fended off by beryllium.

As an alloy "B" has found its principal use in beryllium-copper, a metal preferred for its strength

and toughness for electronic hardware, appliances, office equipment, gauges and instruments. To a lesser degree "B" has been combined with nickel and aluminum to provide and add certain qualities not found in the basic metals.

So it appears quite likely that "B," with all of its special advantages, is going to be in ever wider demand particularly as its price is brought down to more popular and competitive levels.

Brush Beryllium

Brush Beryllium Co. is now the number one company in this business with sales for 1960 estimated up about 55% over the \$18 million reported for 1959. Expansion is the word for Brush especially since George S. Mikhailapov became president two years ago. The company produces beryllium metal, oxide and alloys and combines large domestic ore supplies with most modern manufacturing facilities. An expansion program involving a total expenditure of over \$9 million in 1960 and 1961, will add to the main plant, virtually doubling its capacity, and provide for a beautiful new home office building in Cleveland.

On the financial side Brush Beryllium has been widely heralded as a growth stock, and it has acted like one. There are 1,900,600 shares of common selling today at 59 a rather fancy multiple of 1960 per share net estimated at around \$1.00. Ahead of the common stand \$6.2 million of 5% debentures convertible into the common at 24¼. These "con-

verts" now sell at 248 and have given their long term holders quite a pleasant ride. The common was split 2 for 1 in the spring of 1960, and dividend policy has been to conserve cash and plough earnings back. So there should be further stock "extras" in the year ahead. Moving its "net" from \$300,000 in 1956 to about \$1,900,000 for 1960 is pretty good documentation of growth. The trusts that specialize in "growth" issues have been looking at Brush in the past few months and a dozen of them are now stockholders.

Beryllium Corp.

Beryllium Corporation has majored in the beryllium-copper alloy field and has become an increasing factor in production of the pure metal and its oxide. The company owns plants in Reading, Pa., Hazelton, Pa., and in Holyoke, Mass. Beryllium Corp. has grown rapidly expanding its net earnings in 1959 by 154% over 1958. Another substantial gain is estimated for 1960.

Beryllium Corp. has gone in heavily for research and its staff for this purpose numbers more than 50, many of them Ph.Ds. Chief customer of Beryllium Corp. is Atomic Energy Commission for supply of 37,500 pounds annually. Customers also include major names in the space age—General Electric, Avco and Lockheed; and accent on sales is indicated by sales offices in nine cities throughout the country.

In association with Wyman-

Gordon Company, Beryllium Corp. has achieved an effective process for producing "B" metal structural parts; and, with Allegheny Ludlum Steel, an improved "B" metal sheet has been turned out. There's also a British affiliate, Consolidated Beryllium, Ltd., owned 50-50 with Imperial Smelting Corp., Ltd., organized to provide "B" copper alloy for the European market.

There are 1,303,965 shares of Beryllium Corp. outstanding, traded in the Over-the-Counter market at around 53, paying a 4% dividend in stock. Earnings per share were 58c for first 6 months of 1960 and for the year some advance over the \$1.15 earned in 1959 may be expected.

There are other smaller units in the business (Beryllium Resources, Inc. is a subsidiary of Atlas Corp.) and no doubt there will be a few small mining ventures to develop Rocky Mountain ores. But for a solid representation in "B" your choice lies between the two companies outlined. Both are moving rapidly ahead in an exciting field.

Williston, Beane To Admit Partner

On March 1, J. R. Williston & Beane, 2 Broadway, New York City, members of the New York Stock Exchange, will admit Michael Kourday to partnership.

This announcement is neither an offer to sell nor a solicitation of an offer to buy any of these Debentures. The offer is made only by the Prospectus.

\$150,000,000

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Dated March 1, 1961

Due March 1, 1983

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February 16, 1961.

DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

IT IS UNDERSTOOD THAT THE FIRMS MENTIONED WILL BE PLEASED
TO SEND INTERESTED PARTIES THE FOLLOWING LITERATURE:

Bank Stocks—Report—First California Company, Inc., 300 Montgomery Street, San Francisco 20, Calif.

Canadian National Oil Policy—Study—Greenshields & Co. (N. Y.) Inc., 64 Wall Street, New York 5, N. Y. Also available is a comparison of Canadian Dividend Paying Common Stocks.

Canadian Natural Gas—Review—James Richardson & Sons, Inc., 14 Wall Street, New York 5, N. Y. Also available is a report on Sheritt Gordon Mines Ltd.

Construction and Drug Industries—With particular reference to American Marietta Company, Philip Carey Mfg. Co. and Sterling Drug, Inc.—Purcell & Co., 50 Broadway, New York 4, N. Y.

Drug, Health & Cosmetic Products—Bulletin—Clark, Dodge & Co., Inc., 61 Wall Street, New York 5, N. Y.

Effect of New Government Policies on the Stock Market with a list of common stocks expected to benefit—Hess, Grant & Remington, Incorporated, 123 South Broad Street, Philadelphia 9, Pa.

Finance Companies—Report with particular reference to C. I. T. Financial Corp., Atlas Credit Corp.—Alfred L. Vanden Broeck & Co., 55 Liberty Street, New York 5, N. Y.

Grocery Chains—Review—With particular reference to Food Giant, Food Fair, Grand Union and Penn Fruit—H. Hentz & Co., 72 Wall Street, New York 5, N. Y. Also available are analyses of Rexall Drug & Chemical, United Gas Improvement Co., and Oklahoma Mississippi River Products Line.

Japanese Market—Report—Nikko Securities Co., Ltd., 25 Broad St., New York 4, N. Y. Also available are analyses of the Japanese Glass Manufacturing Industry, Asahi Glass, Nippon Sheet Glass, and Sony Corp.

Japanese Market—Review—Yamaichi Securities Co. of New York, Inc., 111 Broadway, New York 6, N. Y. Also available are reports on Japanese Dairy Products Industry, Carbide Industry, Investment Trusts, Mitsubishi Shoji Kaisah Ltd., and Maruzen Oil Co.

Japanese Stock Market—Survey—Nomura Securities Co., Ltd., 61 Broadway, New York 6, N. Y.

Also available are analyses of **Yawata Iron & Steel; Fuji Iron & Steel; Hitachi Limited** (electronics); **Kirin Breweries; Sumitomo Chemical; Toyo Rayon; Toaneryo Oil Company; Sekisui Chemical Co.** (plastics); **Yokohama Rubber Co.; and Showa Oil Co.**

Machinery Stocks—Report with particular reference to Cincinnati Milling Machine, Caterpillar Tractor and Chicago Pneumatic Tool—Eastman Dillon, Union Securities & Co., 15 Broad Street, New York 5, N. Y.

Maintaining Canada's Economic Independence—Reprints of an address by W. Earle McLaughlin, President of the Royal Bank of Canada—Wood, Gundy & Co., Inc., 40 Wall Street, New York 5, N. Y.

Minuteman Missile Program—And its impact on missile manufacturers—Ira Haupt & Co., 111 Broadway, New York 6, N. Y.

New York Bank Stocks—Bulletin on leading New York City Banks—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

Ohio Bank Stocks—Comparative analysis of the State's largest banks—McDonald & Company, Union Commerce Building, Cleveland 14, Ohio.

Over-the-Counter Index—Folder showing an up-to-date comparison between the listed industrial stocks used in the Dow-Jones Averages and the 35 over-the-counter industrial stocks used in the National Quotation Bureau Averages, both as to yield and market performance over a 23-year period—National Quotation Bureau, Inc., 46 Front Street, New York 4, N. Y.

Railroad Dividend Outlook—Report—Goodbody & Co., 2 Broadway, New York 4, N. Y.

Railroad Earnings & Dividends—Summary—Vilas & Hickey, 26 Broadway, New York 4, N. Y.

Saline Water Conversion—Report—E. F. Hutton & Company, 61 Broadway, New York 6, N. Y. Also available are reports on Reliance Insurance and Brewing Companies.

Selected Stocks—Bulletin—Butcher & Sherrerd, 1500 Walnut Street, Philadelphia 2, Pa.

South on the March—Survey with comparative figures on companies operating in the South—Thomson

& McKinnon, 2 Broadway, New York 4, N. Y.

Adirondack Industries, Inc.—Analysis—Aetna Securities Corporation, 111 Broadway, New York 6, N. Y.

American Boatbuilding Corporation—Report—Arnold, Wilkens & Co., 50 Broadway, New York 4, N. Y. Also available is a report on Carolina Metal Products Corp.

American Broadcasting Paramount Theatres Inc.—Report—A. M. Kidder & Co., Inc., 1 Wall Street, New York 5, N. Y. Also available is a report on Cenco Instruments.

American Express Company—Report—Arthur B. Hogan Inc., 4404 Riverside Drive, Toluca Lake, Burbank, Calif.

American Petrofina—Analysis—Hemphill, Noyes & Co., 15 Broad Street, New York 5, N. Y.

American Potash & Chemical—Memorandum—Pershing & Co., 120 Broadway, New York 5, N. Y.

American Research and Development Corporation—Report—W. E. Hutton & Co., 14 Wall Street, New York 5, N. Y. Also available is a report on General Electric and Westinghouse Electric, and data on Caterpillar Tractor, Florida East Coast, Michigan Chemical Corp., Parke Davis & Co., Philadelphia & Reading and Stone & Webster.

Arvida Corporation—Analysis—Joseph Walker & Sons, 30 Broad Street, New York 4, N. Y.

Ashland Oil & Refining Company—Analysis—De Witt Conklin Organization, Inc., 120 Broadway, New York 5, N. Y.

Aztec Oil & Gas—Memorandum—A. C. Allyn & Co., 122 South La Salle Street, Chicago 3, Ill.

Canadian Breweries—Report—Bache & Co., 36 Wall Street, New York 5, N. Y.

Canadian Pacific Railway Co.—Report—Draper Dobie & Company Ltd., 25 Adelaide Street, West, Toronto, Ont., Canada.

Capital Plastics—Report—Genesee Valley Securities Co., Inc., Powers Building, Rochester 14, N. Y.

Carborundum Company—Report—J. A. Hogle & Co., 40 Wall St., New York 5, N. Y. Also available are data on Carrier Corporation, Continental Can Co., Heyden Newport Chemical Corp., Olin Mathieson Chemical Corp., and St. Regis Paper Company.

Carolina Metal Products Corporation—Report—General Investing Corporation, 55 Broadway, New York 6, N. Y.

Carrier Corp.—Review—Fahnestock & Co., 65 Broadway, New York 6, N. Y. Also available is a report on Caterpillar Tractor.

Chicago Pneumatic Tool Company—Report—Cohen, Simonson & Co., 25 Broad Street, New York 4, N. Y.

Combustion Engineering—Report—Eisele & King, Libaire, Stout & Co., 50 Broadway, New York 4, N. Y.

Commonwealth Oil Refining Company Inc.—Analysis—Blyth & Co., Inc., 14 Wall Street, New York 5, N. Y.

Computer Services Inc.—Report—Edward H. Stern & Co., Incorporated, 32 Broadway, New York 4, N. Y.

Consolidated Natural Gas Company—Data—Illinois Company Inc., 231 South La Salle Street, Chicago 4, Ill.

Controls Company of America—Survey—Shields & Company, 44 Wall Street, New York 5, N. Y.

Crestmont Consolidated Corporation—Bulletin—W. F. Taylor, 639 South Spring Street, Los Angeles 14, Calif. Also available is a bulletin on Automation Industries, Inc.

De Vilbiss Company—Report—Auchincloss, Parker & Redpath, 1705 H Street, N. W., Washington 5, D. C. Also available are data on Miehle Goss Dexter Inc., and a

brochure on Central Charge Service, Inc., G. B. Macke Corp., Greater Washington Industrial Investments, Drug Fair-Community Drug Co., Inc., North American Bowling, Giant Food Properties Inc., and Giant Food, Inc.

Edo Corporation—Analysis—Hill, Darlington & Grimm, 2 Broadway, New York 4, N. Y.

El Paso Natural Gas Company—Data—Evans & Co., 300 Park Avenue, New York 22, N. Y. Also available are data on Burroughs Corporation, Imperial Chemical Industries (England) and Thomson Houston (France).

Empire National Corp.—Report—Hirsch & Co., 25 Broad Street, New York 4, N. Y.

Epps Industries—Analysis—California Investors, 609 South Grand Avenue, Los Angeles, Calif.

Florida Water & Utilities Company—Report—Beil & Hough Inc., 350 First Avenue, North, St. Petersburg, Fla.

General Drive-in—Analysis—Paine, Webber, Jackson & Curtis, 25 Broad Street, New York 4, N. Y. Also available is a bulletin on 1960 Corporate Bond Financing, and data on Spartans Industries, Skelly Oil, and Philadelphia & Reading Corp.

General Electric and Westinghouse—Appraisal—Schweickart & Co., 29 Broadway, New York 6, N. Y. Also available is a report on E. W. Bliss Company.

Ginn and Company—Report—The Milwaukee Company, 207 East Michigan Street, Milwaukee 2, Wis. Also available is a report on La Crosse Cooler Company.

P. H. Glatfelter Co.—Report—L. F. Rothschild & Co., 120 Broadway, New York 5, N. Y.

Green Shoe Manufacturing Company—Analysis—Carl M. Loeb, Rhoades & Co., 42 Broadway, New York 5, N. Y. Also available is a list of selected stocks looking toward 1962.

Grolier Inc.—Report—Robinson & Co., Inc., 42 South 15th Street, Philadelphia 2, Pa.

Harn Corp.—Analysis—J. R. Wiliston & Beane, 2 Broadway, New York 4, N. Y. Also available are analyses of Paddington Corp. and Spartans Industries.

Harvey Aluminum—Memorandum—McDonnell & Co., Incorporated, 120 Broadway, New York 5, N. Y. Also available is a memorandum on Avon Products.

High Voltage—Data—Stearns & Co., 72 Wall Street, New York 5, N. Y. Also available are data on Radiation Dynamics, Dymo Industries and U. S. Photo Supply Co.

Ingersoll-Rand—Memorandum—Francis I. du Pont & Co., 1 Wall Street, New York 5, N. Y. Also available is a memorandum on Aro Equipment.

Inland Container Corp.—Memorandum—McCormick & Co., 231 South La Salle Street, Chicago 4, Ill. Also available is a memorandum on Miehle Goss Dexter Inc.

Lockhart Corp.—Memorandum—Schwabacher & Co., 100 Montgomery Street, San Francisco 4, Calif. Also available is a memorandum on Texas Gulf Sulphur Co.

Magnavox—Review—Dean Witter & Co., 45 Montgomery Street, San Francisco 6, Calif.

Midwestern Financial Corporation—Analysis—William R. Staats & Co., 640 South Spring Street, Los Angeles 14, Calif.

Missile Systems Corp.—Report—George, O'Neill & Co., Inc., 30 Broad Street, New York 4, N. Y. Also available are reports on Saffier Corp. and Sonar Radio Corp. and a quarterly review of sensible Over-the-Counter Securities.

Nekoosa Edwards Paper Company—Analysis—Loewi & Co., Incorporated, 225 East Mason Street, Milwaukee 2, Wis. Also available is an analysis of Howard W. Sams & Co. Inc.

New York City Bank Stocks—3 pages of ratios on 11 New York City banks—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

North American Aviation—Memorandum—Goodkind, Neufeld, Jordan Co., Inc., 400 Park Avenue, New York 22, N. Y. Also available are memoranda on Philip Carey Manufacturing and Amerada.

Pantex Manufacturing—Memorandum—First Citizens Corporation, 210 West Seventh Street, Los Angeles 14, Calif.

Park Electrochemical Corp.—Analysis—Stanley Heller & Co., 44 Wall Street, New York 5, N. Y.

Public Service Electric & Gas—Analysis—Robert W. Baird & Co., 110 East Wisconsin Avenue, Milwaukee 1, Wis.

Reliance Insurance Company—Analysis—Dreyfus & Co., 2 Broadway, New York 4, N. Y. Also available is a memorandum on Union Bag Camp Paper.

S. K. F. (Swedish Ball Bearing Co.)—Analysis—New York Hanseatic Corporation, 120 Broadway, New York 5, N. Y.

Sage Oil Company Ltd.—Bulletin—Roy Bernard Co., Inc., 635 Madison Avenue, New York 22, N. Y.

Scott, Foresman & Company—Analysis—Hooker & Fay Inc., 221 Montgomery Street, San Francisco 4, Calif.

Security Columbian Banknote Co.—Report—Hayden, Stone & Co., 25 Broad Street, New York 4, N. Y. Also available are reports on the Broadcasting Industry and Beatrice Foods Company.

Strolee of California—Analysis—Federman, Stonehill & Co., 70 Pine Street, New York 5, N. Y.

Thomas Industries, Inc.—Memorandum—Kidder, Peabody & Co., 33 South Clark Street, Chicago 3, Ill.

Twentieth Century Fox Film Corp.—Analysis—Hornblower & Weeks, 40 Wall Street, New York 5, N. Y. Also available are data on Norfolk & Western, Philadelphia & Reading and Lorillard.

U-Finish Homes Inc.—Bulletin—McCarley & Co., Inc., 129 East New Street, Kingsport, Tenn.

United Aircraft—Data—F. P. Ristine & Company, 15 Broad St., New York 5, N. Y.

U. S. Vitamin & Pharmaceutical Corp.—Analysis—Walston & Co., Inc., 74 Wall Street, New York 5, N. Y.

Vaudeyne Associates—Report—B. N. Rubin & Co., Inc., 56 Beaver Street, New York 4, N. Y.

Virginia Carolina Chemical Corp.—Analysis—James Anthony & Co., Inc., 37 Wall Street, New York 5, N. Y. Also available is a list of undervalued over-the-counter stocks.

Washington Scientific Industries Inc.—Memorandum—Piper, Jaffray & Hopwood, 115 South 7th Street, Minneapolis 2, Minn.

Western Air Lines—Memorandum—Filor, Bullard & Smyth, 26 Broadway, New York 4, N. Y.

Western Transistor Corporation—Report—W. F. Taylor, 639 South Spring Street, Los Angeles 14, Calif.

Wise Homes—Memorandum—Shearson, Hammill & Co., 14 Wall Street, New York 5, N. Y.

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For financial institutions

Housing, Mortgage Outlook And Federal Policy Threat

By Dr. Gordon W. McKinley,* Executive Director of Economic & Investment Research, The Prudential Insurance Company of America, Newark, N. J.

Projected is an annual average of 1,350,000 housing starts for the 1961-3 period compared to 1,300,000 average for 1952-60. Also, a raise in business activity during the second quarter with GNP advancing at annual rate of \$25 billion above this year's low point at the end of 1961. Dr. McKinley expects mortgage funds will be in sufficient supply at attractive rates providing the government does not make alternative investment outlets more attractive. The urgent need for clearing slums and attacking decay in cities should receive the government's attention according to the author who fears, however, that the government's intervention in housing and subsidized loans will raise havoc with the housing construction industry.

The number of housing units which can be built and sold in 1961 will depend on three main factors: First, the basic or potential demand for housing; second, the general business outlook; and third, the available supply of mortgage funds. The outlook for housing during the next few years calls for a thorough re-orientation of government policies in this field.



Gordon W. McKinley

The Potential Demand for Housing, 1961-63

During the past nine years, non-farm housing starts in the United States have averaged 1,200,000 a year (using the old series), or about 1,300,000 a year on the basis of the revised series recently adopted by the Bureau of the Census. Of these 1,300,000 new housing units a year, about 250,000 have been needed to replace older houses which have been demolished. Another 200,000 a year has been needed to offset the rise in vacancies in older, existing housing. The remainder—about 850,000 starts a year—has been needed to house the net annual increase in households.

During the period 1961-63, the demand arising from demolitions will increase somewhat above 250,000 units a year, but the movement out of older but livable units into new units will fall below 200,000 units a year. Because the change in these two elements in demand will approximately offset each other, the volume of total housing demand will depend on variations in new household formation.

Household formation during the next few years will rise only slightly. There will be increased demand from young single individuals, young married couples, and the aged, but the number of persons in the age group 30-50 will actually decline. Undoubling, which in some postwar years has accounted for as much as 30% of new household formation, will decline markedly. My estimate is that potential housing demand in the period 1961-63 will average 1,350,000 non-farm units a year, compared to about 1,300,000 units a year in the period 1952-60.

The Business Outlook for 1961

The current mild decline in the output of the U. S. economy is likely to be halted by the end of the first quarter, and business activity will begin to rise during the second quarter. Thereafter, the tempo of business activity will accelerate steadily, and will enter the beginning stages of a real boom by the end of the year.

Gross national product is likely to advance by about \$3 billion in the second quarter of 1961, by

about \$9 billion in the third quarter, and perhaps as much as \$12 billion in the fourth quarter. By the end of this year, national output will probably be running at an annual rate \$25 billion above the low point reached during these opening months.

The Mortgage Market in 1961

There will be a moderate increase in 1961 in the volume of loanable funds supplied by savings institutions and commercial banks. On the demand side, both corporate and consumer borrowing is likely to be somewhat smaller, but the volume of state and municipal bond issues will remain high, and the Federal Government will shift from a net supplier of funds in 1960 to a net borrower in 1961. Total non-mortgage borrowing is thus likely to remain about the same as in 1960.

With the supply of long-term funds in 1961 increasing moderately, and the demand for non-mortgage funds remaining about the same as in 1960, it might be assumed that the mortgage market could count on being the beneficiary of these available funds. This assumption is correct, provided that the Government does not take some ill-considered step designed to lower interest rates in the mortgage market to the point where they are no longer competitive with other investment avenues. The mortgage market is already beginning to benefit from an increased flow of investable funds. Money is becoming increasingly available, and mortgage rates are easing moderately in accord with other long-term rates. Provided the Government allows this natural process to continue, I am convinced that plenty of mortgage funds will be available at attractive rates during 1961 to permit the rate of housing starts to rise by mid-year to the 1,350,000-unit level which I have estimated as the basic, sustainable demand at present.

Government Policy Regarding the Housing and Mortgage Markets

Unfortunately, there are some indications that certain elements in government will not be satisfied with an increase of 6 or 7% in housing starts during 1961, but are bent on encouraging a rate of residential construction substantially above the sustainable demand. For example, a report recently prepared for President Kennedy advocates forcing a high rate of residential construction as an anti-recession measure. This report admits that the demand for housing at present, and during the next several years, will not warrant a marked increase in housing output. But, says the report, "so great is the need for housing a few years from now when the wartime babies move into the house-buying brackets and so useful is the stimulation that a resurgence of housing could bring that it would seem folly not to make a determined effort in this area." In other words, the report states that current demand will not support a marked rise in housing output, but after 1965 we

probably will need the houses, so we should build them now.

This is a rather interesting idea, but it seems to me that both builders and mortgage lenders should ask at least two questions about such a program. First, who is going to carry the vacant houses until 1965 when it is hoped they can be sold? Second, is it not possible that some rather serious mistakes could be made regarding the type of housing which will be needed five to ten years from now—its location, its design, its appropriateness for the particular age groups which may constitute the demand in the future? If such mistakes are made, who is to pay for them?

The report goes on to state that there are many different ways of encouraging this overbuilding. For example, the report suggests that "mortgage rates might be brought down to, say, 4½% interest, with discounts on mortgages correspondingly reduced." Here again, a few questions are appropriate. First, of what advantage is a 4½% mortgage if the house cannot be sold? I doubt that there are many builders who could be persuaded to build today for the market in the years after 1965, simply because 4½% money were available. Second, there have been previous attempts by government to set mortgage rates below the level at which they are competitive with alternative outlets for long-term funds, and the result has inevitably been to reduce, rather than increase, the flow of money to the mortgage market. It is not an exaggeration to say that government-imposed ceilings on FHA-VA mortgages have been the most important single factor in causing the erratic cutbacks in housing output during the post-war period.

The recent reduction in the FHA maximum ordered by President Kennedy will probably have no effect whatsoever, because long-term rates were already moving down and because the yield to the lender can be adjusted through a rise in the discount. But it is discouraging to see continued resort by government to techniques which have been shown over and over again in the past to be either ineffective or positively harmful to the housing industry.

Housing Industry's Responsibility

It seems to me that, particularly during the years immediately ahead, it is the responsibility of builders and lenders to think through carefully the implications of proposals such as those I have quoted from this Government report. Will it really be to the advantage of the housing industry and the economy to encourage a dramatic surge in homebuilding far exceeding any reasonable estimate of sustainable demand? Is it to the advantage of builders and construction workers to stimulate violent surges in homebuilding if these must inevitably be followed by sharp declines as vacancies rise? Are there more sensible areas for government efforts to anticipate the housing needs of the late sixties—for example, extensive slum clearance now to provide the land area on which future houses can be built?

When we come to the question of pegging mortgage rates below the market rate, it seems to me that builders and construction workers should realize that home prices and wage rates can be pegged as well as interest rates. If government is to provide the funds for the building industry at a subsidized rate, it obviously has the responsibility to see that home prices and wage rates do not rise so as to defeat the subsidy. I urge builders and the building trades unions to think through carefully the implications of further government intervention in the housing industry.

Factors to Consider

It seems to me that a sound approach to the housing question should begin by recognizing that: (1) During the next few years the demand for new housing in the United States is unlikely to average more than 1,350,000 units a year. (2) In 1961, the traditional sources of mortgage money will supply a volume of funds sufficient to finance 1,350,000 units. (3) An attempt by government to push construction substantially above that level will either be unsuccessful or, if successful, will result in serious vacancy rates, widespread builder failures, and a subsequent sharp cutback in output accompanied by unemployment

ment in the building trades and in the building supply industries. (4) Forced draft residential construction will bring on again the upward spiral in housing costs and home prices, and will price still more families out of the new home market. (5) The building industry is too important an industry—both in itself and because of its influence on many other industries from building supplies to home appliances—to be used as a political plaything.

I suggest that the spokesmen for the building industry reject the old, unimaginative devices of still lower down payments, still longer maturities, and still more attempts to circumvent the allocating mechanism of the capital market. We need a new, imaginative, and practical approach by government, and I find wide agreement among those who have studied the housing question in the United States that the focus of that approach should be on slum clearance.

If the attention of government can be turned from outworn and increasingly ineffective gadgets to a real attack on the problem of our decaying central cities, the groundwork will have been laid not only for a more stable building industry in the years immediately ahead but for an effective response to the great surge in housing demand which we will experience after 1965.

*Based on an address by Dr. McKinley before the Management Conference of the New Jersey Savings & Loan League, Haddonfield, N. J., Feb. 7, 1961.

Logan Shillinglaw With F. S. Yantis

CHICAGO, Ill.—Logan Shillinglaw and Harry A. Ackerman have become associated with F. S. Yantis & Co. Incorporated, 135 South La Salle Street, members of the Midwest Stock Exchange. Both were formerly Vice-Presidents of Shillinglaw, Bolger & Co.

David L. Shillinglaw, Edgar S. Riedel, and Benjamin Berman, all formerly with Shillinglaw, Bolger & Co., have also joined F. S. Yantis & Co.

This advertisement is not an offer of these securities for sale. The offer is made only by the Prospectus.

February 14, 1961



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Westminster Fund is a mutual fund seeking possible long-term growth of capital and income. Its shares will be issued in tax-free exchanges for acceptable securities deposited for this purpose. The basis of exchange will be one share of the Fund for each \$12.50 of market value of securities so deposited after deducting from such value compensation to the Dealer Manager and Soliciting Dealers as described in the Prospectus. The minimum amount of any deposit of securities is \$25,000.

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Our Immunity to Economic Stabilizers and Stimulants

By Roger W. Babson

History makes quite clear how quickly we become immune to artificial and natural economic stimulants and require new stimulus to energize human behavior again. In advancing this point with reference to today's fiscal tonics, Mr. Babson predicts we will get used to them and they will, as a result, lose their effect.

I am writing this column to further emphasize that Presidents do not make or unmake conditions; but that conditions make or unmake Presidents. This will be tested in 1964, and perhaps at the next Congressional Elections in 1962.

Insurance Against Depressions

The Democrats are counting upon the various stabilizing measures which have been passed by Congress since 1930 and even before the Depression from which Mr. Hoover unjustly suffered. Let me enumerate 10 of these tonics.

(1) **Social Security**, which provides billions of dollars annually to millions of people in pension and dependency payments. This should be a real stabilizer and prevent certain unemployment which would otherwise surely occur.

(2) **Unemployment Insurance**. Presently about 45,000,000 workers are entitled, in an emergency to unemployment checks from their states. Added to this, most states give old-age relief to especially needy persons. This latter will be pressed by President Kennedy's proposed old-age aid legislation.

(3) **Farm Price Supports**, for which several billion dollars are distributed annually to the farmers of the nation. This money will largely filter through to farm labor which otherwise would be reduced. Hence, this should help as an employment stabilizer.

(4) **Insuring Bank Deposits**. Shortly after Mr. Roosevelt took over the Presidency in 1933, nearly every bank was temporarily closed to prevent more bank failures and alleviate the financial panic then developing. The country was shocked. This resulted in legislation to insure bank deposits up to \$10,000 and to provide more

careful supervision of banks. This restored confidence and helped stabilize employment.

(5) **Mortgage Loans** were formerly written for five or 10 years at a rate of around 6%. Now legislation permits them to be written for 20 years or more at an average rate of 4½%. This surely is a stimulant to building and real estate, and hence to employment.

(6) **The Securities & Exchange Commission** was established to eliminate "bucket shops" and to give investors confidence to buy good securities. Probably the Mutual Funds, which have had such a tremendous growth during the past few years, were greatly stimulated by the SEC. This helped employment by resulting in the incorporation of new companies.

(7) **Government Spending** was greatly expanded and the money mostly comes back to the people after the government receives taxes from the contractors. This has been the greatest stimulant of employment. Although I pray for peace, I shudder to think what will happen when this "shot-in-the-arm" no longer exists.

(8) **Checking Wall Street Speculation**. Speculation under controlled conditions is a good thing. It enables an investor to have a market available to buy or sell stocks. But before 1929, very little margin was required so that almost every stenographer and elevator operator was buying stocks. Starting at 55% in 1936, margin requirements have subsequently been dropped to as low as 40% and raised as high as 100%; are now 70%. These under the Federal Reserve System, stabilized Wall Street and again gave it a good name.

(9) **Labor Unions** were encouraged by Franklin Roosevelt. They prevented wageworkers from be-

coming panicky and management from unnecessarily cutting wages. Although certain labor leaders now go too far, these unions stabilized wages, from which the country then benefited.

(10) **Inflation** — This may become most potent of all; but it needs no description here.

Human Nature Makes and Unmakes Presidents and Nations

When I am in Florida, I look out on acres of orange groves which are being sprayed to kill worms which destroy the fruit. I once asked the foreman in charge how many times he sprayed. He replied: "Now we must spray three times each season because the worms and flies get immune to the old sprays, and we must continually find and try new ones."

Now this is how "human nature" applies to the business outlook. Preceding periods of U. S. prosperity did not have the artificial stabilizers that our present period has, but they had others. For instance, the Prosperity Era of 1848-1858 was inspired by the famous Discovery of Gold in California. The post-Civil War Prosperity was stimulated by great Railroad Building. The Prosperity Era of 1898-1906 was stimulated by Consolidations. In all cases, the stimulator or stabilizer was not removed. Gold continued to come from California, the railroads continued to operate; and we continued to enjoy the development of oil and electricity. But we finally became immune to all these stimulations and stabilizers . . . because there was no change in human nature.

What Is Human Nature?

Frankly, I do not know how to describe it. It seems to take centuries to change human nature 1%. Comparing today with the days of the Persian, Grecian, or Roman Empire, people seem to have the same swing from Depression, to Recovery, then to Prosperity; and back again to Decline and Depression. This is now called the "Business Cycle"—but it is only human nature, which intrinsically is ambitious and selfish, then discouraged and prone to failure; which always overreaches and then learns only by suffering.

Stimulation has always helped get nations out of depressions. During the days of Columbus it was the Era of Discovery which saved Spain; it was the Thirty Years' War which saved Austria; and our own Revolutionary War was the stimulus for the founding of the United States. But—both as races and as nations we seem to become immune to discoveries, inventions, and legislation. We get used to these things. "Eaten bread is soon forgotten" is an old but true saying. I therefore feel that we Americans will someday get used to the 10 artificial stimulants mentioned early in this column.

Of course, it takes time for human nature to work. Furthermore, so long as the cold war lasts it may be necessary for the United States to provide full employment and continued prosperity; but the end must come someday.

Rosenberg With S. Weinberg Co.

S. Weinberg, Grossman & Co., Inc., 40 Exchange Place, New York City, members of the New York Security Dealers Association announce that Seymour M. Rosenberg has joined their firm in the Trading Department.

Opens Inv. Office

(Special to THE FINANCIAL CHRONICLE)
SAN FRANCISCO, Calif. — Frances Russell is engaging in a securities business from offices at 2545 Van Ness Avenue.

Connecticut Brevities

Phoenix Mutual Insurance Co. of Hartford presented models of its new home office to community leaders at a special luncheon recently. The building will cover a 3½-acre tract in Constitution Plaza, Hartford's \$50 million East Side Redevelopment program, and will consist of a 12 story elliptical tower rising above a two story quadrangular base. The lower portion of the structure, surrounded by a landscaped courtyard and reflecting pools, will provide parking for more than 300 cars with direct approaches to tower elevators and lobby areas above. The striking elliptical design of the tower permits quick access to all offices from elevators and service areas, the architects explained, and contributes to economical construction by reducing total surface area. At the same time the aesthetically appealing building will add distinction to Hartford's skyline.

American Hardware Corp. of New Britain has licensed an Australian firm, Henry Lane Pty. Ltd. of Sydney, to manufacture its builders' hardware products. A long range program to acquire facilities in strategic markets was initiated by entry into the Australian and New Zealand markets and American Hardware is conducting negotiations for other overseas operations.

Pratt & Whitney Aircraft Division of United Aircraft Corporation, East Hartford, is working on advanced rocket engine hardware and nuclear reactor concepts Mr. H. M. Horner, Chairman of United Aircraft, said in a talk before the Boston Security Analysts Society on Feb. 6. He added that nuclear rocket propulsion will probably be the "ultimate solution for space travel" and that United Aircraft's knowledge of nuclear and hydrogen rocket technologies could be combined to give the company a leading position in the field. Mr. Horner also stated that the proper application of aircraft nuclear propulsion could lead to nuclear powered generation of electricity which would be competitive with conventionally generated electricity.

A merger between **Connecticut Light & Power Co.** headquartered in Berlin and **Housatonic Public Service Company** of Derby is expected to be completed in April or May of this year. If the merger is approved, Connecticut Light & Power plans to sell Housatonic's electrical service rights in the lower Naugatuck Valley area to United Illuminating Co. of Bridgeport but would retain Housatonic's gas service rights and facilities.

Kaman Aircraft of Bloomfield has joined with Grumman Engineering of Bethpage, N. Y. in seeking a U. S. Army helicopter contract. This contract is expected to call for 4,000 light observation helicopters and will be one of the largest defense awards granted during 1961. If Kaman and Grumman, who will be competing with most of the country's major

aircraft companies, are successful in their bid, Kaman would be the prime contractor.

Formation of **Pac-Tron, Inc.** of Mystic was announced by James R. Fox, Jr., the company's president. Pac-Tron will have two divisions, the Marine Division and the Packaging Division. The Packaging Division will produce a new type of foam cushioning material for protecting delicate electrical, electronic and optical instruments in shipment. The Marine Division will manufacture a new line of buoyant marine products including, among others, buoys, life vests and rafts.

Perkin-Elmer Co. of Norwalk is designing a 36-inch telescope for use in the Stratosphere II project which will lift an astronomical observatory 15 miles in the sky. The Stratosphere II project is being conducted by the U. S. Navy and Princeton University with the purpose of obtaining the sharpest pictures ever taken of the planets Saturn, Jupiter and Mars. If Perkin-Elmer's instrument works as well as expected, it will be able to distinguish two golf balls 15 inches apart 500 miles distant from the telescope.

Reevesound Co., Inc., a subsidiary of Reeves Soundcraft Corp. of Danbury, has developed the first remote controlled 16 mm sound motion picture projector for use on commercial aircraft. The prototype-system was designed for Boeing 707 jet airplanes and has been installed in one of Trans World Airlines' intercontinental 707 jets. Space and weight problems were solved by Reevesound by the use of a transistorized sound system. The equipment is contained within the structure of the airplane so that it will not be noticeable to passengers. Programs running from 1½ to 2 hours will be heard by passengers through lightweight headsets.

Edw. Henderson New Firm Name

The name of Greyhound Securities Inc. has been changed to Edward F. Henderson & Co. Inc. it is announced by Edward F. Henderson, President. The firm will continue to conduct a general investment securities business at 15 William Street, New York.

Mr. Henderson is a former Vice-President of the Commercial Bank of North America. Vice-President of the firm is C. Wallace Loughlin, who was formerly associated with the New York Stock Exchange member firm of Filor, Bullard & Smyth.

E. F. Hutton Co. To Admit Pickard

NEW ORLEANS, La. — Joseph Pickard will be admitted to partnership in E. F. Hutton & Company, 233 Carondelet Street, on March 1.

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NEW ISSUE

February 10, 1961

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Dollar Defense Measures Fall Short of Objectives

By Paul Einzig

Terming many measures to defend the dollar half-hearted, Dr. Einzig is not impressed with what President Kennedy has accomplished to date. Dr. Einzig would like to see the continental activities in the "Euro-dollar" market, first disclosed in his column in this "Chronicle" last November, 1959, brought to an end or reduced to modest proportions. He also asks whether the time has not come for a period of consolidation rather than expansion of international investment.

LONDON, England.—For the first time since the change of the Washington Administration, London bankers now feel that they can breathe freely. For President Kennedy's special message dealing with the defense of the dollar contains no measures which would endanger the continuation of their activities in the "Euro-dollar" market. This market in dollar deposits owned by Europeans has assumed considerable importance. It first developed in 1957, and all the time while it was expanding British bankers and managers of London branches of foreign banks feared it was too good to last.

It was too obviously to the advantage of the dollar and of American banking to bring this traffic to an end, or at any rate to reduce it to more modest proportions, by removing the ban on the payment of competitive interest rates on foreign deposits by American banks. To avoid drawing attention to it, London foreign exchange departments abstained for a long time from disclosing this activity in dollar deposits to financial journalists paying regular daily visits to the Foreign Exchange market. The existence of activity in Euro-dollars was first disclosed in my article in *The Commercial and Financial Chronicle* in November, 1959. Since then the subject has received a growing volume of publicity in the financial press all over the world.

London banking circles fully expected that one of the obvious measures the new Administration would take would be to enable the Federal Reserve authorities to remove or raise the artificial ceiling for interest rates on foreign deposits. In doing so American authorities could obviously relieve pressure on the dollar by reducing the proportion of world trade financed in dollars and especially by reducing the extent to which swap transactions are carried out for outward arbitrage. Much to the relief of those concerned no such step was taken on the present occasion. All that the Presidential message contained on the subject of foreign deposits was that it foreshadowed measures providing for higher maximum interest rates on official dollar deposits.

From the point of view of relieving the pressure on the dollar the proposed change is quite irrelevant. I have never come across any suggestion that foreign Treasuries or Central Banks have ever employed their dollars in the Euro-dollar market. Indeed such a practice would be almost inconceivable as it would amount to assisting the banks in circumventing the control of the authorities over the volume of credit. It is not the authorities but private holders of dollar deposits who take advantage of the higher deposit rates obtained in London, and as far as they are concerned there will be no change.

The amount involved in transactions in dollar deposits is now estimated to be over \$1 billion. If only half of it is employed in swaps their reversal would mean a gold influx of some \$500 million to the United States in addition to the benefit derived from any reduction of the extent to which international trade is financed in dollars.

Questions Tax Treatment

The measures for the defense of the dollar are unimpressive also from other points of view. There is a provision concerning the tax treatment of the yield on assets on foreign Central Banks. While the Administration was about it it might have decided to extend the proposed concession to cover the yield of all foreign assets. It is altogether a mistaken idea to imagine that the decision of Treasuries and Central Banks whether to hold their reserves in gold or dollars can be influenced by such concessions or by higher interest rates. On the other hand, private holders would be likely to be influenced by such considerations.

The decision to uphold the ban imposed on American private holdings of gold abroad by the Eisenhower Administration does not come as a surprise. What is surprising is that the new Administration did not deem it necessary to reinforce that half-hearted measure by bringing forward the date of its application. Now that the open market price of gold has become more or less normal, the fixing of an early date might have resulted in a large-scale repatriation of American funds invested in Europe. Anything might happen, however, between now and the end of May, and a revival of speculation about a higher gold price would effectively discourage such repatriations. It is a mistake to give holders so much time to see which way the cat jumps.

The proposed tightening of measures to prevent the abuse of foreign "tax havens" by American capital abroad by means of tax avoidance is a step in the right direction. But there is nothing in the measures to indicate any intention to prevent the outflow of American capital for purposes other than tax avoidance. Indeed, that the new Administration has no intention of interfering with international movements of capital is implied in a passage in the Presidential message, according to which the Administration intends to press Western European countries to eliminate restrictions on capital export to the U. S.

It is true, success of efforts to that end would lead to an increase in the volume of European capital invested in the United States. As far as it goes it would outweigh the effect of American outflow on the dollar on capital account. What President Kennedy's advisers seem to have disregarded or underrated was the increase of the extent to which the dollar will become vulnerable as a result of an increase of foreign investment in the United States.

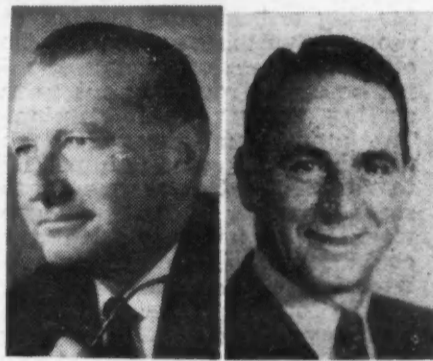
Let us assume for the sake of argument that as a result of the policy indicated in the message \$1 billion of European capital finds its way to the United States in 1961 and \$1 billion of American capital finds its way abroad. On the face of it the situation would remain unchanged. But if and when the dollar should come once more under a cloud most of the European holders of American investments will either withdraw their capital or will hedge against

its depreciation while most American holders of European investments would retain their holdings. It would mean additional pressure on the dollar at a most inconvenient moment.

International investment has made considerable progress in recent years. It may well be asked whether a time has not come for a period of consolidation, instead of pressing for a further expansion of such investment.

Financial Equity Corp. on Coast

LOS ANGELES, Calif.—Financial Equity Corporation has been formed with offices at 639 South Spring Street to engage in a secu-



John J. Keenan Joseph G. LaPuma

rities business. Officers are Jack J. Mahakian, President; John J. Keenan, Vice-President; Joseph G. LaPuma, Secretary; and Florence V. Phillips, Treasurer. All were formerly with Woolrych, Currier & Carlsen, Inc. Prior thereto Mr. Keenan and Mr. LaPuma were officers of John J. Keenan & Co. Incorporated.

Hugh W. Long Co. Names Treasurer

ELIZABETH, N. J.—Melvin Intriligator has been elected Treasurer of Hugh W. Long and Company, Incorporated and Investors Management Company, Inc., Westminster at Parker. For the past nine years, Intriligator has served as Treasurer and a Director of City Specialty Stores, Inc., which operates the Franklin Simon and Oppenheim Collins retail stores. He was earlier engaged in the management consultant field.

Harris, Upham, Foster, Marshall To Consolidate

George U. Harris and Henry U. Harris, senior partners of Harris, Upham & Co., 120 Broadway, New York, nationwide investment brokerage firm, and Albert O. Foster, senior partner of Foster & Marshall, 820 Second Avenue, Seattle, Wash., have jointly announced, pending approval of the New York Stock Exchange, the consolidation, effective March 1, of Foster & Marshall's eight office organization in the Pacific Northwest with that of Harris, Upham's 40 offices in this country and one in Geneva, Switzerland. The agreement with Foster & Marshall represents one of the largest service expansions in the 65-year history of Harris, Upham & Co.

Harris, Upham's Pacific Northwest operations, comprised of the eight former Foster & Marshall offices located in Seattle, Olympia, Spokane and Yakima, Wash., and in Portland, Medford, Eugene and Roseburg, Ore., will be under the overall supervision of Mr. Foster, who has joined Harris, Upham & Co. as a general partner of the firm. In addition, Gary A. Foster, Foster & Marshall partner, will become associated with Harris, Upham as a partner on the floor of the New York Stock Exchange.

It was simultaneously announced that George W. Marshall and Donald A. Meyer, Foster & Marshall partners, will direct the formation and activities of Foster & Marshall, Inc., Seattle, a new firm to specialize in the underwriting and distribution of municipal bonds.

The Messrs. Harris stated that "the addition of Foster & Marshall's eight-office organization in the principal cities of America's Northwest constitutes a very important extension of Harris, Upham's service facilities. As our firm marks its 65th anniversary, we are particularly pleased to have such able and complete representation in one part of the country not previously served by Harris, Upham & Co. On a national basis, the municipal bond operation of Foster & Marshall, Inc. will greatly enlarge the service that Harris, Upham, through all of its offices, renders in the municipal field."

Mahar V.-P. of Hess, Grant Co.

PHILADELPHIA, Pa.—Hess, Grant & Remington, Inc., 123 So. Broad Street, members of the New York Stock Exchange and other



Richard M. Mahar

leading exchanges, announce that Richard M. Mahar has been elected Vice-Pres. in Charge of Research of the firm.

Prior to joining Hess, Grant & Remington, Inc., Mr. Mahar was Manager of the Research Department of Woodcock, Moyer, Fricke & French, Inc. He has been active in the investment securities industry for the past 12 years, starting in the business as an examiner for the New York Stock Exchange and later becoming associated with Shearson, Hammill & Co. in their New York office where he was Senior Security Analyst.

Mr. Mahar is a member of the Financial Analysts of Philadelphia and the New York Society of Security Analysts. He is well known to readers of financial publications as a constant contributor to such publications as *Barron's*, *Investment Dealer's Digest* and the *Commercial and Financial Chronicle*.

Barnes Named Director

Wendell B. Barnes, a partner of Shearson, Hammill & Co., New York City, has been elected to the board of directors of Servo Corporation of America. Announcement of Barnes' appointment was made by Mr. Henry Blackstone, President of the Hicksville, N. Y. electronics firm. Prior to joining Smith, Barney & Co. he served as Administrator of the Small Business Administration during the Eisenhower Administration.

Now Jacoby & Co.

LOS ANGELES, Calif.—The firm name of Jacoby, Daigle, & Werner, Inc., 541 South Spring Street, has been changed to Jacoby & Co., Inc.

This announcement is neither an offer to sell nor a solicitation of an offer to buy any of these securities. The offering is made only by the Prospectus.

NEW ISSUE

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February 16, 1961

The Coming Resurgence In Business Activity

By Allyn P. Evans,* President, Lionel D. Edie & Company,
New York City

Investment consultant forecasts more bad news immediately ahead followed by a turnabout in the second quarter of 1961 and a briskly sharp upward movement by the fourth quarter. Attributing the current decline to the workings of the inventory cycle, Mr. Evans adds that we are in the midst of a lowered growth rate period but that a return to a dynamic 5% annual growth rate can be expected after the middle of the decade. Business is advised to direct their attention to the coming economic resurgence and to the industries where superior growth is bound to occur.

In preparing this paper I reviewed the remarks that I had made in several previous ones. It seems each year my papers have been delivered in an atmosphere of worry and concern. This is also the case today. Industrial production has been declining for some months. The number of unemployed is rising. The steel industry is operating at half of its capacity. The inventory of automobiles exceeds one million cars. Our international balance of payments is seriously adverse. The world situation is tense, and we have the uncertainties inherent in the introduction of a new Administration in Washington. Businessmen, bankers, and investors once again find they have a great many worries. However, as we attempt to look into the future, the outlook is not as dismal as my recital of unfavorable factors suggests. For clarity I am dividing this discourse into three parts. A forecast for 1961, for the next few years, and for the longer term, that is to say, out to 1970.

The Outlook for 1961

The current recession in business is not fundamental; it is not basic. This is not a capital goods recession for capital expenditures in 1960 were higher than in 1959. It is not a consumer recession for personal consumption expenditures were \$14 or \$15 billion higher in 1960 than in 1959. Nor it is a government induced recession for Federal, state and local spending last year was \$2 to \$3 billion above 1959. Our export trade balance was above the pre-



Allyn P. Evans

vious year. If this is true, then why are we in the midst of a recession? The answer is: The inventory cycle has been going through a violent gyration.

Some may recall that several years ago I expected that the economy would fluctuate more frequently in the future than in the earlier postwar years. Primarily this was because productive capacity had caught up with and exceeded consumptive demand. Shortages had disappeared. It seemed to follow that this would bring a change in the policy of businessmen toward their inventories. Since then, and particularly recently, a major drive has been under way all across the board to cut down on inventories. Industry wants a smaller volume of inventories relative to sales. Each division of business is trying to push back the inventory burden. The retailer is pushing back inventories to the manufacturer, and the manufacturer to the raw material supplier. An idea of the magnitude of this change in policy becomes apparent when we observe that in the first quarter of 1960 business was accumulating inventories at a seasonally adjusted annual rate of over \$11 billion but by the last quarter of 1960 the rate had dropped to minus \$2 billion. That is the equivalent of withdrawing over \$13 billion of demand from the economy within 12 months. This is a very large figure and the surprise is not that the economy has drifted downward but that the drift-off has not been sharper.

I believe we should be prepared for a continuance of more bad news immediately ahead. The drawing down of inventories, in our opinion, will continue for several months longer and, in fact, become more rapid. It may ultimately reach a seasonally adjusted rate of \$5 to \$7 billion. This would mean that over a period of 15 to 18 months the inventory

cycle will have swung from accumulation of over \$11 billion to a decumulation, if there is such a word, of \$7 billion per annum, a change of \$18 billion. The continuation of this trend will exert additional downward pressure on the Federal Reserve Board Index of Industrial Production, which reached a high point of 111 in January 1960. The January 1961 figure, when published, will probably be somewhere in the area of 101-102 and before the correction has been completed will break under 100.

One of the fears today is that the downward drift will spiral into a full-fledged depression. Such, however, is not our opinion. The contra-cyclical forces, such as the increase in the money supply, easier money, construction awards and government spending, already in motion are rapidly forming a base from which the economy will move forward. Our attention therefore today should not be on the recession but on the coming resurgence in business. The month and day when the turnabout will come is impossible to forecast but sometime in the second quarter of 1961 is a good working hypothesis. The turn could come a bit sooner or a bit later but of this we are certain, by the fourth quarter of 1961 the economy will be moving upward strongly.

I have spoken of the contra-cyclical forces that are currently at work. To these will be added a materially higher rate of government spending in the second half of the year. By then the government will be spending more for defense, more for space, more for social services, for education, and for public works. The plans formulated in the early months of the year by the new Administration will be implemented in the second half of 1961. The expenditures of state and local governments for the construction of schools, hospitals, multi-family dwellings, and road building will be moving progressively higher each quarter. Consumer spending under the influence of increased business activity and resulting higher personal income will be accelerating in the second half of the year.

The swings of the inventory cycle have a habit of always moving too far both ways. The upward trend always goes too far and brings on its own correction. Conversely, the downward phase reduces inventories to too low a level, thereby necessitating rush to rebuild. The current cycle will probably prove to be no exception. The sharp scramble to rebuild inventories, coinciding with the other stimulating forces previ-

ously mentioned, will give impetus to the resurgence.

In 1961 substantial strides forward are likely to be made. Consumer income we expect to be up \$8 billion, personal consumption expenditures up \$10 billion, government spending up about \$7 billion, and housing starts up 5% to 10%. The economy in 1961 will be up only about \$7 billion above 1960 but the annual rate of expansion during the fourth quarter will be at a \$20 billion rate. Therefore the turn-around, when it comes later this year, will in our judgment be sharp, not sluggish as some are telling us today. So much for 1961.

The Interim Years

During the recent political campaign Mr. Kennedy spoke with great force and emphasis about his "concern" for the slowdown in the growth rate of the economy. Several years ago the theme of a speech that I made was what I called the "Interim Years." These would be the years falling between two areas of dynamic national growth. We said that during this interim period a lower rate of average growth would be experienced. We are now in the midst of that period.

It must be remembered that there is no such thing as straight-line growth. Growth is erratic. Not only does it vary from year to year but from period to period. The average rate of growth of the United States over a long period of years has been approximately 3% a year. The growth rate of the country since 1946 can be divided into two economic periods, 1946 to 1955, and 1955 to 1960. During the earlier period the United States grew at an average rate of 5% a year in terms of the Gross National Product, and 6% a year in terms of the Federal Board Index of Industrial Production. The average growth rate since 1955 has dropped to less than 3% a year. The slowdown in the rate of American economic growth is due basically to the slowdown in the rate of increase in private capital investment which, while it has risen since 1955 in dollar amount, has not risen in real terms.

By 1955 the wartime shortages had been largely removed and the economy had to settle down to digesting capacity and waiting for demand to catch up. This is likely to be the environment in which business will operate until 1964 or thereabout. The rate of growth will vary from year to year depending upon direct steps taken by the government, but it will take a few more years for productive capacity and consumer demand to come into closer balance.

Structural Changes in the Economy

Now I think it is timely for me to interrupt this theme and point out that the American economy is undergoing certain basic structural changes in its makeup and composition. These changes are subtle and therefore not readily recognized, but they are highly important to the businessman and investor.

(1) *Human resources are changing.* From 1947 to 1957 the number of new entries into the labor market declined. Now they are beginning to expand and by 1970 may exceed two million a year. Even though the economy overall continues to grow we must expect a higher level of unemployment to persist than during the earlier days of the past decade.

(2) *The capital structure is changing.* A new form of capital investment has made its appearance. This is research and development. The economy is shifting its capital efforts from strictly plant and equipment to research and development. The impact on

the economy of research and development expenditures is delayed and spread out.

(3) *New industrial frontiers are emerging.* In our search for growth in the economy 60-odd areas were selected for study. More than half of them did not exist five to seven years ago. New industries and new technologies are emerging.

(4) *Capital is being used more efficiently.* Industry is trying to more efficiently utilize its capital by decreasing its inventories. The ratio of inventories to sales is declining. Computers are being programmed to reduce the investment in raw material and semi-finished inventories.

(5) *The international position of the United States is changing.* Our country is faced with a new and different fight on the international economic front. More changes are coming in the United States import position and as regards foreign military and economic aid.

(6) *The pattern of consumption is changing.* The age group mix of the population is undergoing some important changes. The heavy spending age group is the 25 to 44 year old age group. It is this group that buys the new homes, the new automobiles, new appliances, etc. Over the next five years this age group will remain relatively static in number. On the other hand, the 18 to 24 year old age group, which was relatively static during the decade of the fifties, will increase substantially by 1964. The consumption requirements of this age group are very different from those of the higher income age group. They rent rather than buy homes. They buy used cars rather than new automobiles. They buy cheaper appliances rather than the deluxe models. A higher percentage of their income goes for food, clothing and services than does that of the older group. This obviously has definite implications for business.

(7) *Change in defense expenditures.* While total defense spending is likely to go up at the rate of \$2 billion a year for the next five years, expenditures for space which are now about \$1.3 billion will be in the neighborhood of \$4 to \$5 billion by 1965. The tremendous impact of this change in emphasis in so short a period of time shakes the economy out of its normal progression.

These are some of the changes that are at work in our economy. While they are underway there will be disruptions that will restrain the growth trend temporarily but lay the groundwork for a subsequent dynamic resurgence in the rate of growth. We are going through a period of massive economic change and the quicker we recognize it and meet the challenge the better.

The Longer Term, 1965-1970

One may ask: "Where does all this lead to?" To acceleration in the growth curve after the middle of the decade. Research and developments are undertaken to find new ways, new production techniques and new products. Research and development expenditures do not pay off immediately. The pay-off comes when new technology, new products, and new industries demand capital expenditures. Research and development expenditures in 1955 represented less than 1½% of the Gross National Product. Last year these expenditures were 150% higher than in 1955 and represented 2½% of the Gross National Product. By 1970 the annual bill for research and development alone is likely to be between \$30 and \$40 billion, or approximately three times its present level. It naturally follows that these expenditures accelerating at such a rapid rate will result before too long in a step-up in capital expenditures, particularly once de-

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February 14, 1961

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mand and capacity have been drawn into closer balance as they will be during the next few years.

Then we must recognize that our population by 1970 will number about 213 million, an increase of 33 million over 1960. Between 1950 and 1960 our population increased by 28 million so in this decade the increase will be five million or 18% greater than in the last decade. The number of 6 to 17 year olds will increase from 41 to 51 million or 25%. These children consume a lot of foods, go through a lot of clothes, and the buildup comes toward the end of the decade.

By 1965 we will be in the explosion stage in the 18-24 year old age group. This age group will increase from about 16½ million in 1960 to 18½ million by 1964, an increase of 2¼ million or approximately 14%, but between 1964 and 1970 the increase will be over six million persons or a gain of approximately 34%, which is two and a half times more than in the earlier period. This is the age group where young people marry and that means more family units and more babies. While this age group has less to spend per capita than the national average, it does in the aggregate represent a big spending group for the simple reason that new family formations and children give impetus to the demand for housing and a wide range of goods and services. It is the rapid increase in the expansion of this age group in a relatively short period of time that provides an accelerating force to the growth trend during the later years of the decade.

Then we have as a practical working hypothesis accepted the premise that the cold war will be with us for a number of years to come, and this implies that Federal spending for defense and space will be moving upward year by year. This means stimulus to research and development expenditures, the end results of which are larger expenditures for capital investment.

Although more historical than statistical it is true that while change may be disruptive to the economy at the time it occurs, and difficult to live with, it is nevertheless dynamic and the dynamic trend of the United States has come about by our almost fantastic adaptability to change. It stimulates the desire to maximize production and profits and minimize costs. Change creates new opportunities, new horizons, new chances for profits, and new places to make capital investment. I do not have to develop this potential further; the ultimate effect is obvious.

Summary

To summarize, I would say that we expect a turnaround to occur in the economy sometime in the first half of this year. We believe that the resurgence in business activity will be brisk and strong, not sluggish, that popular psychology at the end of 1961 will be far more optimistic than it is today and that the momentum generated by the turnaround will continue for the next couple of years. However, it will not be until the middle of the decade that the growth rate will attain dynamic proportions. We estimate that for the last five or six years of the decade the annual rate of growth will average, roughly, 1% as compared with, say, an average of about 3% for the interim period.

What do all these words mean, first, to practical businessmen, and secondly as investors in American industry? I will try to pull these complicated lines of thought together and state what the forecast suggests to me.

First, the industry groups that led the postwar recovery will not be the favored industries for this decade. New products and new

industries growing out of the rising expenditures for research and development will disrupt the historic position of certain other industries.

Our studies are rapidly leading us to the conclusion that insofar as the next few years are concerned there will be a number of industries that will be in what might be called a "gray zone," that is to say, the growth in these industries will not be outstanding. In this group we put such industries as aircraft, appliances, automobiles, capital goods, gas transmission, oil, steel, non-ferrous metals, chemicals, etc. On the other hand, superior growth will be found in electronics (especially those areas directed to space and defense), computer, photographic and reproduction equipment, scientific instruments, ethical and proprietary drugs, petrochemicals, certain types of building materials, printing and publishing, consumption of electric power, consumer finance, and insurance carriers. The service industries will take an increasing proportion of the consumer dollar. The astute and alert businessman and investor will take cognizance of these changes.

These comments are broad and general and I caution against jumping to any immediate conclusions with respect to individual companies or their stocks, for each company must be analyzed and studied separately. The fact that the gross revenues or sales of an industry or company are due for substantial expansion does not necessarily mean that all the stocks of companies operating in that industry are cheap and attractive purchases. Nor does it mean that stocks of companies where the industry outlook is "gray" are sales. Also, it must be remembered that there is a considerable overlapping of areas within a given modern company in that what is happening in one division can offset what is occurring in another. I am throwing out these thoughts not as investment recommendations and stock market advice but in the hope that they will activate imaginative thinking and provoke personal and individual studies that I believe will be to one's ultimate advantage.

Summing It Up

So I come to the end of my story. I hope that I have been successful in drawing a picture of what we believe lies ahead for the American economy. The road ahead will not be an easy or even one, but let us not look upon change as a negative factor. Change is positive. The changes of today are the dynamics of tomorrow. Our whole history demands that we hold this faith. Early in the New Testament Matthew spoke of faith. He said: "If you have faith as a grain of mustard seed nothing will be impossible to you." I have faith in the American people. I have faith in the American businessman. (Witness the battle of production in World War II. The compact car in 1960.) I have faith in the free enterprise system. I know that business has too.

*An address by Mr. Evans at a meeting sponsored by the Republic National Bank of Dallas, Texas, Jan. 27, 1961.

With Morgan Co.

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif. — Robert Rapoport has joined the staff of Morgan & Co., 634 South Spring Street, members of the Pacific Coast Stock Exchange. He was formerly with Hayden, Stone & Co.

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(Special to THE FINANCIAL CHRONICLE)

LINCOLN, Neb. — LaVerne E. Nicholson is now affiliated with Ellis, Holyoke & Co., 144 North Thirteenth Street.

FROM WASHINGTON ...Ahead of the News

BY CARLISLE BARGERON

There is likely to be settled, or at least steps toward it are to be taken within the next few months, of a squabble that has long existed concerning Defense patents. The manufacturers want their inventions to be released to them in order that they can patent them. As it stands, the Defense Department permits the manufacturers to keep title to their inventions. The Atomic Energy Commission does not.

The Commission argues that all the research and development is done with funds furnished by the government. The manufacturers complain that their policy stifles inventiveness.

Inasmuch as all industries are fighting for government contracts the contention of the manufacturers does not seem to hold water. However, the manufacturers claim that the government will not patent the inventions themselves, thus making them available to foreign manufacturers while the domestic manufacturers are left out in the cold.

In the original AEC act there was a time limit on how long they could keep the inventions. This time expired last year. At that time the AEC insisted that everything had been going along o.k. and there was no reason to change it. Inasmuch as the Defense Department does a lot of work for the AEC, a lot of confusion has arisen as to who has title to the patents.

Senator Long of Louisiana intends to introduce a bill in the next few months creating a Federal Invention Agency. This agency would have authority to decide the patents to inventions as it saw fit. The defense manufacturers are pulling for this bill.

Quite a few eyebrows were lifted when President Kennedy announced his farm plan. Basically it is no different than that of Ezra Taft Benson, with one exception and that exception is

questionable. It would restore the old food stamp plan. This plan was tried by the New Deal and resulted in such scandals that it had to be abandoned. Under this plan, food stamps would be issued to the unemployed and they could be used to buy food at the grocery stores. But in actual practice the unemployed would bargain with the grocery store for cash at a discount and then use the money to buy liquor, gasoline or whatever they desired. This got to be a national scandal and was finally abandoned. Under the stamp plan the unemployed are not dependent upon surplus goods but can get a steak or anything they want, also cash at a discount.

The next food stamp plan should carry a provision making it unlawful for a groceryman to pay cash for them.

Otherwise, the Kennedy farm plan is but a broadened version of the Benson plan. It would take more land out of production but Benson was always seeking authority to do this.

The United States Capitol is a city within a city. It is absolutely self-sufficient. It has its own police force. A member can sleep in his office and never leave there except to go to the floor and one that I can recall, the late Senator Park Trammel of Florida, did just that. He had a bedroom fixed up. On occasions of filibusters numerous Senators live in their offices. When they get up for breakfast they have their choice of three restaurants on the Senate side and three on the House side. They have their choice of barbershops, there being three in the Capitol and one each in the Senate and House office buildings. Maybe the Senators would like to go to the beauty parlor which the wife, and office staff, certainly does. There is one in each building. Haircuts are \$1 apiece as compared with \$1.75 in the rest of the city. If he wants

to send Valentines to his friends, or little presents like a fountain pen or a typewriter, or if he wants to have some Christmas cards, they are available at two stationery stores.

If he wants a shower or a workout in the gym there is one available in each of two of the four office buildings. All are connected by a tunnel insuring the Senator or Congressman against rainy or snowy weather. There is a doctor and three aides available at all times if the member feels indisposed.

Whitehead Giving Course at Hunter

Dr. Edward Davison, Director of the Hunter College School of General Studies, Park Avenue, has announced that Louis H. White-



Louis H. Whitehead

head of Nye & Whitehead again will conduct the course in Investments which started on Feb. 14. The course will meet one evening a week 6:10-7:50 p.m. for a total of 15 sessions.

Since 1942, Mr. Whitehead has been a member of the faculty of the New York Institute of Finance, successor to the New York Stock Exchange Institute, where he conducts courses in Economics and Current Economic Developments Affecting Investments.

A bulletin and registration form may be obtained by telephoning BU 8-7210, or by writing to School of General Studies (e19), Hunter College, 695 Park Avenue, New York 21, New York.

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February 15, 1961

Stock Market Margins Must Be Brought Up to Date

By G. Keith Funston,* President, New York Stock Exchange

Series of four recommendations are proposed to revamp what is called an "antiquated control" over stock market credit. NYSE head presents data showing margin rates set by the Fed do not do the job that they are supposed to do, and contends it is the general availability of credit throughout the entire economy that exerts the primary influence. As an immediate remedy, Mr. Funston calls for reduction of present 70% rates to 50%. He lists the evasive tactics some borrowers resort to, incongruities, and undesirable side effects of the present policy.

We have just been through an election year—with all the sound and fury characteristic of election years. Many people have deplored the extravagance of our electoral process, an extravagance not alone of money but also of words. Yet I suspect that underneath all the campaign oratory something very fundamental goes on during campaign years. Elections are not just simple matters of victory or defeat. They are, essentially, times of stocktaking, of review and of reappraisal. They are times when—despite all the extravagant talk—we think.

Many of the issues we have thought hardest about during these last months were economic. And with good reason. During our lifetimes we have seen the web of economic problems grow ever tighter and involve us more and more intimately. Clemenceau once said that war was too important a matter to be entrusted to the generals. In like vein I would submit that economics today has become too important a matter to be left to the economists. It has become a personal, over-riding concern for everyone.

That is why I have chosen to bring up a controversial economic problem—one that is little-understood but which always arouses powerful feelings. My subject is stock market margins—what is right and wrong about them, and what broad changes we ought to consider for the future.

I start with the recognition that few other words in the lexicon of investing have been as much maligned, or as badly in need of

sharp reassessment. To many people, the very word **margin** is still faintly impolite. Mention "margin trading" and a woolly but frightening image appears—an image of "speculation" or "high finance" which every sober-minded citizen must shun.

Now, this is indeed a curious fact. Margins simply permit an extension of credit to a buyer of securities. With margins at 70%, as they are now, you can buy \$10,000 worth of stock by advancing \$7,000 of your own money and borrowing the rest.

Is this an improper form of credit? It strikes me as a very sensible form. Some years ago I remarked on the fact that we encourage a man to borrow up to 75% to buy a car or even 100% to buy a washing machine. Is it wrong, then, for him to borrow 30% to buy an interest in the company that makes that car or that washing machine? It is a topsy-turvy sense of values indeed that leads us to smile on the man who borrows to enjoy himself today but which frowns on his borrowing because he hopes to enjoy a better tomorrow.

Why is it then, that our attitude toward margins has been so contradictory? The main reason, I suspect, is because we know so little about them. You remember Josh Billings' famous line: "The trouble with most folks isn't so much their ignorance, as knowing so many things that ain't so." Well, let me spell out a few things about margins that are so.

First, how much stock market credit do we actually use? To set the problem in perspective let me begin by pointing out how much credit our whole economy uses—an enormous \$900 billion worth. That credit represents the obligations of government, business and consumers—the bonds, notes and obligations which comprise, in the words of one economist, "the promises men live by."

Of that staggering sum of \$900

billion, only \$5½ billion, or six-tenths of 1%, represents customer credit in the securities industry. That is the first important fact to note. But next, look at the uses to which that \$5½ billion is actually put. According to our continuing studies of the market, about three-quarters of the shares bought and sold on margin are for long and short-term investment purposes. That is, the typical margin customer buys stocks with the same motivation as does the cash customer. The principal difference is that margins enable him to buy more stock than he otherwise could.

Finally, let's look at who actually holds margin accounts. There are approximately 300,000 margin customers of New York Stock Exchange member firms. Again, the overwhelming majority of margin transactions—some 80%, in fact—are by customers with annual incomes over \$10,000. Margin accounts, in other words, are found primarily among investors who are equipped to bear the added risk which is inseparable from all borrowing. And this, of course, is as it should be.

The Difference Margins Make

I don't know how familiar you may be with the facts I have just cited. I know they will come as a surprise to many people. But just because margins are, in reality, a much less spectacular—and much less speculative—fact of economic life than many imagine, the question might be asked: why are they important?

I have already indicated their personal importance for the man who wants to accumulate assets. But margin buying has a much deeper economic significance. By supporting a larger volume of stock market transactions than could be handled by cash alone, they give added liquidity to the market.

Liquidity is a word, I must confess, that is easier to illustrate than define. And the most dramatic illustration I can think of is the impressive performance on the New York Stock Exchange in 1959—the latest period for which complete figures are available. During that year some 820 million shares of stock changed hands on the floor. Each and every transaction had to find its own bid and offer. What was the result? Seventy-two per cent of all trades were made either at no change in price from the last sale, or within a range of one-eighth of a point or 12½ cents from the last price!

That degree of price continuity which is a clear mirror of liquidity, may seem remarkable. But

think for a moment what the market would be like without this liquidity. Prices might fluctuate wildly from sale to sale. Consider how this would affect the hundreds of companies planning to issue new shares and wondering how to price them; or the thousands of businessmen who follow the trend of the market as an indicator of the economic climate; or the millions of Americans—now one out of every eight adults—who invest part of their savings in stocks.

The high degree of liquidity I have described is an essential attribute of a healthy securities market. But it is nothing to take for granted. For the market's liquidity has, in fact, been diminishing. Just previously, I mentioned that 72% of all 1959 transactions were within one-eighth of a point of the previous sale. For 1958, however, when margins were generally lower, the comparable figure was a much more striking 82%! Today, we also find lessened liquidity reflected in the fewer orders entered on the specialists' books, and in the lower rate of turnover on the Exchange. Since the end of World War II, for example, an average of 15 out of every hundred shares listed on the Exchange changed hands annually. Last year that figure was down to 12 shares out of every hundred.

Now, what do margins have to do with this unfavorable trend? A great deal. For we know from extensive research that when margins are raised sharply, volume tends to fall off—that is liquidity is lessened. Volume, of course, does not fall precipitously. But it has decreased by as much as 25% following a substantial margin increase. In other words margins are not just a means of extending personal credit to people who wish to increase their portfolios. Over and above that margins constitute a very important instrument by which we affect the tone and resiliency of the whole capital market—that delicate and immensely important focal point of our economy.

Controlling Margins

I have taken this much time sketching the background of stock market credit for two reasons. First, because I believe that businessmen, as the most economics-conscious group among the general public, would and should be interested in the facts as such. Second, because only when we know the facts, can we begin to approach the problem of how to regulate margins most effectively. And here I would make one thing crystal-clear: no one appreciates more than the securities industry the need for sound margin controls to prevent the excessive use of credit in the market.

But contrary to general belief, it is not margin requirements set by the Federal Reserve Board which exert the primary influence over the level of security credit. Rather, it is the general availability of credit throughout the entire economy—the overall looseness or tightness of money. When money is hard to get, in business or elsewhere, customer borrowings tend to decline; when money eases, funds tend to flow back into margin accounts as well as into other channels.

In other words, the direct regulation of margins by the Federal Reserve Board does not constitute the only line, or even the main line, of defense against the excessive use of customer credit. At best, lowering or raising margins merely tends to accelerate or slow down the movement of borrowed money. There is striking evidence to illustrate this. Between 1946 and 1958 the Federal Reserve Board raised initial margins six times. On only two occasions, though, was the outstanding amount of customer credit lower after six months. But note that on four occasions the new higher

margins were followed by something else: a noticeable drop-off in volume.

One conclusion is thus inescapable. In our necessary efforts to regulate securities credit, we are relying on an antiquated control which has an undesirable impact on the market's liquidity. And that isn't all. Our present system of margin regulations also imposes a series of additional handicaps, a few of which are worth mentioning.

Side Effects of Margin Regulations

The first is something best described as the "leakage" effect. It occurs when security credit is put under nearly prohibitive restrictions while money is fairly easy to borrow elsewhere in the economy. One of the things that happens is that borrowed money creeps into the security markets by the backdoor.

Some of these leaks can be traced to the activities of unusual or unregulated lending agencies which are exempt from present regulations. Some leakage occurs when people obtain credit simply by pledging securities not listed on a stock exchange with banks as collateral. This procedure reflects a curious and unjustified double standard. The shares of well-known companies listed on a national stock exchange are under margin controls. But the shares of thousands of lesser known companies traded over-the-counter are not when the loan is made by anyone except a broker.

Some leakage, of course, crosses the border-line of legality—as in the case of "non-purpose" bank loans which are then used to purchase more securities. And a small amount represents out-and-out fraud—as in the "free rides" a few people attempt by trying to buy and sell stocks before they have to put up any cash at all.

All of these backdoor transactions, no matter what their origin, are potentially dangerous additions to credit in the market. And all of them have a common motivation—the desire to escape from margin rates that are prohibitively high when money itself can be borrowed with relative ease.

That is one unfortunate side-effect of our present system of margin regulation. Now let me mention another. In setting margin rates, the Federal Reserve authorities are primarily concerned with regulating the flow of credit in the market—and more specifically, with preventing its excessive use. But unfortunately, this isn't the way the average investor regards margin changes. He tends to read them as judgments about stock market prices. He interprets a margin increase as a sign that the government thinks the market is "too high," or a margin decrease as a signal that the market needs a "shot in the arm."

This puts the Federal Reserve Board in the unhappy and unenviable position of seeming to pass a judgment on stock prices every time it alters the margin rate. And that judgment, with the full weight of the government behind it, can have a decisive influence on the stock market decisions of many people. This is an impact that I doubt the Board either welcomes or intends.

My last demurrer follows logically from this. It lies in the general obscurity which shrouds most margin adjustments. When initial margins are hiked from 70 to 90%, or lowered from 60 to 50%, there is seldom a public explanation offered about the credit picture. No one doubts, of course, that the Federal Reserve has very cogent reasons for each move it makes. But the absence of a prompt official statement encourages everyone to supply his own explanation—and everyone does. Thus, official silence leads to public speculation. And investors, rather than being better informed, are

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This announcement is neither an offer to sell nor a solicitation of an offer to buy any of these securities. The offer is made only by the Prospectus.

NEW ISSUE

February 16, 1961

100,000 Shares

EDWARDS INDUSTRIES, INC.

Common Stock

(Par Value \$.50 per share)

Price \$4.50 per Share

Copies of the Prospectus may be obtained from only such of the underwriters, including the undersigned, as may lawfully offer these securities in this State.

Joseph Nadler & Co., Inc.

H. M. Frumkes & Co.

Lieberbaum & Co.

Graham, Ross & Co., Inc.

80 Years in America And a Long Look Ahead

By R. Perry Shorts,* Chairman, Second National Bank of
Saginaw, Saginaw, Michigan

Eighty-year-old banker recalls economic lessons learned in his lifetime in the hope they will prove useful to the younger men who will take over from today's "old-timers." Mr. Shorts reflects upon the foibles by individuals and our government during prosperity and depression; voices confidence in the inherent ability of our country to grow and prosper; and recapitulates the merits of free enterprise as against that used to displace it. Today's biggest problem, he concludes, is the defense of our dollar and the need to strengthen—not weaken—free enterprise.

I have passed four-score years in the journey of life, and have reached that stage when ambition no longer goads one on to ever-increasing effort; and when "peace of mind" prevails and stimulates appreciation for the bountiful blessings that have come to him. In such a contented state of mind I would like to discuss something about my 80 years in America.



R. Perry Shorts

Of course, my memory isn't what it used to be, for, like Mark Twain — when I was young, I could remember anything whether it happened or not—but now that I'm getting old, about the only things I remember are the things that never happened. Also, when I was young, I thought there were only two classes of people, the rich and the poor—but now, I still think there are only two classes, but they are "the quick and the dead" — and just being alive is what really counts now. And so, I've decided to put off dying until the very last minute.

I want to review some of the lessons I do remember and which I learned during my fourscore years—in the hope that they may some day, somewhere, somehow, prove helpful to you as you sail the rough seas of American business life. You know, the statisticians claim that only five businessmen in 100 are financially successful. That makes me think—just what good are we "old-timers" anyway unless we pass on to the younger men among us some of the lessons we have learned the "hard way" in the "Ups" and "Downs" of business life? Such knowledge might prove a valuable compass to warn them against the pitfalls into which we blindly stumbled and point out to them the highways that lead to life's rewards.

First of all—the most valuable lesson I ever learned was a realization of what a wonderful country we live in. You and I are living in a country which protects us by its laws, educates us by its schools, inspires us by its institutions, and prospers us by its industries. I eagerly grasp every opportunity to thank God for the United States of America.

A Simple Formula That's True

As encouragement to all young men I would say—you don't have to be exceptionally brilliant to make a business success here. Our country is a land of opportunity where every man has a chance to rise and win his share of God's blessings to mankind. All you have to do is to use your God-given brains and follow the simple formula of *thrift, hard work and old-fashioned honesty*. That is the formula that has been followed by nearly all of our most successful men. Look at the Presidents of our thousands of successful corporations and you will find that most of them started as poor boys who saved their money,

bought their company's stock, and then worked like beavers to climb to the top.

If you can't save money, you will never get anywhere in business. You'll work a lifetime and have little to show for it. Every fortune you see is proof positive that somebody worked and saved. What you earn is not so important — it's what you save that counts. Also, hard work is essential. Every outstanding man in every trade and calling is a "hard worker"—make no mistake about that. And you must be honest, in order to gain and maintain a good reputation. Nobody will trust you far or long — unless you are honest.

It is probably true that not over 5% of our people do all the constructive thinking—and the other 95% just follow the crowd. The hardest job for the average man is to sit and think—he will sit all right, but he won't think. To advance one's self by the other man's thinking has always been a popular sport. Money used to do all the talking, but now it whispers reverently in the presence of brains. Henry Ford thought out a good idea, but he had no money to promote it. He finally induced a few men who had money to risk \$28,000 of it to make more money by developing his idea. Thus, one man with brains, other men with "risk capital," and a few good workmen, went into partnership and they all prospered—and in the process hundreds of thousands of other stockholders have since benefited and new jobs have been created for over 240,000 employees. His idea created new wealth, new business and new jobs.

Here and right in front of our eyes is the American Free Enterprise System at its best—a combination of Labor and Capital and Brains—and through its country-wide operation, prosperity has been passed around among millions of our people and we have become the greatest nation on the earth. Anyone who has saved \$100 can now buy one or more shares in almost any business in America. The American Tel and Tel alone is owned by over 1,800,000 stockholders — and we now have more telephones in the United States (over 66 million) than all the people in the rest of the world combined—to say nothing of automobiles, radios, TVs and a host of other products. Critics attack our capitalistic system, but no one attacks the standards of living it provides — broadest ownership, highest wages, shortest hours, lowest prices, and greatest abundance of the good things of life. Away back in ancient times, Horace, the wise old philosopher said, "If a better system is thine, impart it; if not, make use of mine." This is America's challenge to the world today.

And so, the most valuable lesson I ever learned was that you and I are living in the grandest country in the world.

Depressions Are Man-Made

Second — I've learned (after muddling through 19 Prosperities and 20 Depressions, large and small), that both Prosperities and Depressions are bound to come,

and, barring war, are largely man made. When it comes to economics, we Americans show about as much sense as the old farmer did in feeding his hogs — he stuffed them one day and starved them the next, and when asked for an explanation, he replied—"Well, I always like my bacon to have a streak of fat and a streak of lean."

Our country's most serious Depressions have hit us with disturbing regularity. The first came in 1837, when nine-tenths of all the eastern factories closed their doors, some states repudiated their bonds, and every bank in the United States suspended specie payment; then the crash of 1857, which reduced wages 50%; then the devastating after civil-war panic of 1873, which nearly wrecked the Nation — when 65 railroads went into bankruptcy and 39% of all the railroad bonds in the country went into default. Then came the collapse of 1893 with 554 bank failures, wheat at 54 cents a bushel and call money at 74%; and then the short Depression of 1907, followed 13 years later by the "unpleasantness" of 1920 when prices went down but wages stayed up. Then came the long Depression of the 30s when a "liberal" Government stepped in to show us how to quickly end our troubles by spending ourselves back to Prosperity. It spent money like a "drunken sailor," billions and billions, and finally succeeded in making it the deepest and broadest and longest Depression of them all with 17% of our entire labor force unemployed for years — and then World War II suddenly broke out and took up the slack. It took a war to stop it. This 1930-40 decade was the only decade in American economic history where we failed to grow. Every one of these Depressions was preceded by a period of reckless spending.

Now, I've always noticed that when Prosperity is with us, most people wrongly decide that it will last forever — and they begin over-doing everything, in both producing and consuming. We borrow and spend — rather than save and invest. Business prospects are always over-estimated in Prosperities. The workman demands more "featherbedding" and higher wages and starts buying more goods than he needs even if he has to pledge his future wages to do it. (There are over

\$41 billion of unpaid installment loans outstanding right now—and I heard of one young husband the other day who cheerfully said to his little wife, "Just one more payment, dear, and the baby is ours.") At the same time the manufacturer raises prices and produces more goods than he needs so as to get bigger profits "while the getting is good."

After a time the manufacturer accumulates a surplus of goods that he can't sell and the workman accumulates a surplus of debts that he can't pay—and finally the millions of American people get all "fed up" on having every wage and cost boost passed on to them and so they just stop buying—and then you have a "real" depression. Sellers can't sell when Buyers won't buy—and I've seen some Depressions get so bad that even the "dead beats" who never intended to pay, stopped buying. Then follows a distressing period of factory shutdowns, unemployment, bread lines, mergers, pie-in-the-sky politicians, nervous breakdowns and suicides—and after a time the competitors start cutting prices, bargains begin to appear and finally the Public starts buying again—a little here and a little there—and at that very moment the next Prosperity begins.

Faulty Calculations

But after all, and to philosophize a little—business is a human thing—and, therefore, influenced by human emotions—it is managed by men and women—and it grows out of the needs of humanity. And so, these radical "Ups" and "Downs"—these extreme contrasts — may all be a part of Nature's scheme of things — like day and night, summer and winter, etc. Who knows? They may be Nature's way of pounding some horse sense into our heads. We rant and rave about hard times and yet one good Simon-pure Depression teaches us more sound economic lessons than a dozen Prosperities. Most of our virtues are acquired in Depressions (and the churches are full) — and most of our vices are acquired in Prosperities (and the churches are empty). People pray for guidance and restrain their wild ideas when they're hard up, but they soon forget all that and dissipate freely when they're flush. Prosperity ruins more men than "Wine, Women and Song"

all put together and all working on the "poor devils" at the same time.

On the other hand, business prospects are always underestimated in Depressions. Most of our good investments are made in Depressions, and most of our bad ones in Prosperities. More money can be made in Depressions than in Prosperities — by those who have ready cash. A first-class Depression "sweats out the fat," pulls our feet down to earth again, and bids us "pause and think." For the man who has had sense enough to save his money, a Depression may be a blessing in disguise—for then everything is cheap and opportunities are knocking on every door. Out of every Depression come new business leaders for the headlines of tomorrow — men who saw and seized opportunities when they appeared.

And so, the old world rolls along—like "Old Man River"—from one generation to the next, bringing prosperity to the few and adversity to the many — teaching us time and time again the wisdom of thrift and the folly of extravagance. And yet, in spite of all these signs and signals, these red lights and green lights, and all the warnings which history portrays, the great majority of men wind up their careers wrinkled and withered and worn, with furrowed brows and hardened arteries—and barely enough financial resources to provide for their own families. Isn't it strange how dumb we are?

All this I've learned about Prosperities and Depressions — after quite an extensive acquaintance with both.

Don't Sell America Short

Third — another lesson I've learned is to "Never Sell America Short"—never get discouraged—keep optimistic about the future. Just take a look ahead and see the promising growth that lies before us right now. Every year from \$30 to \$40 billion are being invested in new plants and equipment. This means that our big Businessmen are betting their billions that America's future is going to be prosperous. This large capital investment comes out of savings. More plants mean more production — more production, more jobs—more jobs, more income—and more income more de-

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February 14, 1961

200,000 Shares Super Market Distributors, Inc.

COMMON STOCK

(Par Value \$1.00)

Price \$5.00 per share

Copies of the Prospectus may be obtained in any state only from such dealers, including the undersigned, as may legally offer these Securities under the securities laws of such State.

Clayton Securities Corporation

Goodbody & Co.

A. C. Allyn and Company

J. R. Williston & Beane

Maltz, Greenwald & Co.

Draper, Sears & Co.

Reich & Company

Schirmer, Atherton & Co.

A. T. Brod & Co.

Hill, Darlington & Grimm

Farrish & Co.

THE MARKET . . . AND YOU

BY WALLACE STREETE

Stocks surged ahead again this week as renewed buying came into the market after industrials had paused for a mild correction. It left this section once again in position to tangle with an area of heavy overhead resistance.

Buying enthusiasm had waned for better than a week and not unexpectedly. For one, predictions were rife that the advance since the low was posted last October had been too swift to go too long without a correction. And industrials had faltered at a critical point without mustering the strength to charge into the resistance area.

The senior average had run up to 653, just on the brink of the 655 area where a rally last June had topped out. Between 655 and the all-time peak of 685 selling could be expected to accelerate. From 653 the average had dipped only to 637, which is hardly a full-scale correction of an advance of nearly 90 points, leaving a good many market students skeptical that the correction was all over even though the buyers moved back into the market to take the upper hand.

Inter-Index Resistance

The exact standing of the market was clouded a bit by divergences between the two widely-followed stock indices. The far broader 425-stock industrial average of Standard & Poor's had forged to an all-time peak previously while the 30-stock Dow industrial average was seemingly stymied by the resistance belt. So, only the brave or brash were willing unequivocally to pinpoint where either will go in the immediate future.

Far more attention was being given, at least in the market letters, to individual issues that were either behind their groups, or promising enough to warrant attention despite the possibilities of a new setback.

The Rotating Food Issues

Food issues were still highly regarded with attention rotating from one to the other in the section. General Foods was one that was resting after it had had its share of investment interest in recent months. Although the rest was well warranted, there is still no indication that the widespread predictions of record earnings for the fiscal year to March 31 were completely discounted. The company had reported record sales and earnings for the 1959-60 fiscal year to make it an uninterrupted growth item through the last five years which included the 1957-58 recession period. The shares aren't wide-ranging ones. After a 2-for-1 split last year the new shares held in a 61-75 range and so far this year have only extended the high by a couple more points.

Against the 77 area reached by General Foods with its indicated \$1.40 payout, Standard Brands with its \$1.60 dividend has only reached the '57 level after more than a year of trading. It, too, is poised for record sales and earnings not only for 1960 but for this year as well, if it is able to consolidate the results of Planters Nut in which it has built up a three-fourths stock ownership.

Farflung Oil Merger(?)

Some of the oils that had done so well so far this year were, like the general market, taking a respite after they had hailed the promise of added business that the unusually severe winter in many parts of the country had brewed. The drawout hopes here are those that flare up occasionally that the vast Getty interests—Skelly Oil, Tidewater, Getty, Mis-

sion Corp. and Mission Development—are to be put together into a new colossus. The fact that Tidewater recently offered to exchange its dividend-less common shares for dividend-paying preferred was believed to be a step in this direction and enabled Tidewater to stand out as one of the better-acting of the oil issues.

The thinking in some oil circles is that the first step toward an eventual consolidation would be a merger between Tidewater and Skelly. There have been attempts in this direction in the past which ground to a halt on the question of Tidewater's worth. With Tidewater building up its profit potential, the possibility of agreement becomes more imminent.

Skelly, too, has been making strides in filling a blank spot in its picture—that of marketing. Until recent years, Skelly's emphasis was on production and it has added more than 10 score service stations in the midwestern marketing area in recent years to broaden this phase of its business. One of the newest developments in this area was its agreement with Goodrich to have the latter market its tires, batteries and accessories through the 5,000 Skelly outlets. The "float" of Skelly stock is small, since of the 5,746,000 shares in its capitalization, Mission Corp. owns more than 59%. Like other oils, Skelly was held back profit-wise by the low Texas production of the first half of 1960, so its earnings for the year are not expected to be startling. However, with business promising, a rebound is seen certain to a level where the present price of the shares will only be about 10 times 1961 earnings, this being a low multiple in today's markets.

The "Trust-Busted" Electrics

Selling in the electric issues, notably in the two giants—General Electric and Westinghouse—had about run out this week and their high quality and well-deflated prices brought in bargain hunters. The scare here was the rash of proposed lawsuits for treble damages arising out of their conviction for violating anti-trust laws in price rigging. Much of the comment gave the edge to GE when it comes to choosing between the two. Westinghouse generally rates as the one feeling the recession more and its 1961 earnings are expected to drag behind those of last year. To the optimists, studies being taken by the companies to determine the extent of any financial losses would go a long way to offset any great rash of suits. And what suits would come up would be long, drawn-out affairs that would do little to upset General Electric as a giant in its industry.

Construction Items

The stirring over construction issues that had followed hopes for government intervention to spur activity has pretty much run out, leaving some items well under their peak prices, notably Ferro Corp. which was available more than a score of points under its 1960 peak.

Ferro suffered when housing starts dropped, since as the leading producer of porcelain its business of supplying the household appliance field had sagged. The 46% drop in profits on a 9% sales decline in the third quarter was the chilling note. Actually the growth element is still less than a fifth of its total business; but could spurt significantly as a result of supplying fiberglass to the plastics and boat industries. It was, in fact, expenditures on expanding this business that in part accounted for the drop in profits

in last year's third quarter. Capital expenditures last year were slated at \$6 million.

With the government on record with lower mortgage interest rates to step up home financing, the building business could rebound and, of course, improve the fortunes of Ferro quickly. Despite its troubles, it is anticipated that its dividend will be earned twice over for 1960 and improved fortunes could bring a resumption of the stock dividends that were added to the cash payments in five of the years since 1953.

Flintkote is another company that could benefit quickly from any improvement in construction generally. Here, too, the market inroads have carried the issue down to where it appears reasonably priced. The management, apparently, is hopeful since after omitting the cash dividend late last year and substituting stock instead, the company returned to a cash basis with a payment due next month. The company has been building up its gypsum reserves, chiefly through a lease on vast deposits in Newfoundland, which gives it a potential of becoming one of the four largest gypsum producers in the nation.

[The views expressed in this article do not necessarily at any time coincide with those of the "Chronicle." They are presented as those of the author only.]

Underwood, Neuhaus & Co. Names Two V.-P.s

HOUSTON, Texas—The election of Nick Sacaris and Tom Leahy as Vice-Presidents has been announced by Underwood, Neuhaus & Company, Incorporated, 724 Travis Street, members of the New York Stock Exchange and Texas' oldest investment banking firm.

Mr. Sacaris has been a partner in the brokerage concern since 1957. He is a Registered Representative specializing in corporate equities and common stock and has been associated with Underwood, Neuhaus for the last eight years. He is a member of the Stock and Bond Club of Houston.

Mr. Leahy joined Underwood, Neuhaus in 1951. In 1954 he left the firm to serve a tour of duty with the U. S. Army, assigned to the Army's School of Finance in Indianapolis, Ind. Returning to Underwood, Neuhaus in 1956 he was admitted to partnership in the company in 1958. Mr. Leahy also is a member of the Stock and Bond Club of Houston.

W. G. MacDonald With Nat'l Secs.

BOSTON, Mass.—William G. MacDonald has joined National Securities & Research Corporation as a wholesale representative in the states of Connecticut, Rhode Island and parts of Massachusetts, it has been announced by Henry J. Simonson, Jr., President.

In his new position, Mr. MacDonald will work from the Boston office, 79 Milk Street, under Ira Jones, Vice-President in charge of the New England territory.

Mr. MacDonald had been associated with a prominent investment company as a wholesaler in the Northeastern states.

Eastman Dillon Adds

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Jerry E. Dayton has been added to the staff of Eastman Dillon, Union Securities & Co., 3115 Wilshire Boulevard. He was formerly with California Investors.

NASD Committee Appointments

Appointments to the various committees of the National Association of Securities Dealers were announced by the Chairman of the Board of Governors, William H. Claflin, III, partner, Tucker, Anthony & R. L. Day, Boston. The Chairmen and members named to the committees follow:

EXECUTIVE: Chairman—Mr. Claflin. Members—Andrew M. Baird, A. G. Becker & Co., Inc., Chicago; Robert L. Cody, North American Securities Co., San Francisco; Robert E. Daffron, Jr., Harrison & Co., Philadelphia; Graham Jones, Cooley & Co., Hartford, Conn.; Edward H. Ladd, III, The First Boston Corporation, New York; Blanche Noyes, Hemphill, Noyes & Co., New York; Avery Rockefeller, Jr., Dominick & Dominick, New York; Paul E. Youmans, Bosworth, Sullivan & Co., Inc., Denver; and Wallace H. Fulton, NASD Executive Director, Washington.

FINANCE: Chairman—Mr. Baird. Members—Mr. Claflin; William S. Hughes, Wagenseller & Durst, Inc., Los Angeles; Mr. Noyes; Claude F. Turben, Merrill, Turben & Co., Inc., Cleveland; Samuel S. Whittemore, Pacific Northwest Co., Spokane, Wash.; and Mr. Fulton.

NATIONAL BUSINESS CONDUCT: Chairman—Mr. Ladd. Members—Mr. Rockefeller; John W. Bunn, Stifel, Nicolaus & Co., Inc., St. Louis; Merrill M. Cohen, J. M. Dain & Co., Inc., Minneapolis; Robert W. Fleming, Folger, Nolan, Fleming-W. B. Hibbs & Co., Inc., Washington; A. Jackson Goodwin, Jr., Lee Higginson Corp., Chicago; Hudson B. Lemkau, Morgan Stanley & Co., New York; and Merl McHenry, J. Barth & Co., San Francisco.

LEGISLATION: Chairman—Mr. Whittemore. Members—Mr. Daffron; and J. Robert Neal, Wyatt, Neal & Waggoner, Atlanta.

INFORMATION: Chairman—Mr. Turben. Members—Mr. Goodwin, Edward S. Lewis, Jr., Lewis & Co., Jackson, Miss.; and Mr. Fulton.

NATIONAL UNIFORM PRACTICE: Chairman—Henry H. Badenberger, Francis I. duPont & Co., New York. Vice-Chairman—Thomas B. MacDonald, Blyth & Co., Inc., New York. Members—Edward J. Armstrong, Stein Bros. & Boyce, Baltimore; George J. Denzer, The First Boston Corp., New York; Guenther M. Philipp, Paine, Webber, Jackson & Curtis, Chicago; and Ralph W. Welsh, Robt. Glendinning & Co., Philadelphia.

NATIONAL QUOTATIONS: Chairman—Francis J. Cunningham, Kidder, Peabody & Co. Vice-Chairman—Glen A. Darfler, H. M. Byllesby & Co., Inc., Chicago. Members—S. Richard Harris, Courts & Co., Atlanta; William C. Porter, Dittmar & Co., San Antonio; Ralph E. Phillips, Jr., Dean Witter & Co., Los Angeles; Clarence A. Horn, First of Michigan Corp.; John D. Ohlandt, New York Hanseatic Corp., New York; John L. Rohde, John R. Lewis, Inc., Seattle; and Herbert C. Smith, Blyth & Co., Boston.

INVESTMENT COMPANIES: Chairman—Franklin R. Johnson, Colonial Distributors, Inc., Boston. Members—Mr. Cody; Mr. John R. Haire, Hugh W. Long & Co., Elizabeth, N. J.; Arthur H. Hausermann, Vance, Sanders & Co., Boston; Rowland A. Robbins, First Investors Corp., New York; Harry J. Simonson, Jr., National Securities & Research Corp., New York; and Joseph E. Welch, The Wellington Co., Inc., Philadelphia.

FOREIGN SECURITIES: Chairman—Henri L. Froy, Abraham & Co., New York. Vice-Chairman—John A. Nevins, Model, Roland & Stone, New York. Members—Hans Ben, New York Hanseatic Corp., New York; Jack M. Bloch, Bear, Stearns & Co., New York; John Fountain, White, Weld & Co., New York; Derek Grewcock, Carl M. Loeb, Rhoades & Co., New York; and Max Halpert, Arnold & S. Bleichroeder, Inc., New York.

GMAC Debens. Offered Today

Morgan Stanley & Co. heads a nation-wide underwriting group offering today, Feb. 16, a new issue of \$150,000,000 General Motors Acceptance Corp. 22-year 4½% debentures due 1983, priced at 99¾% and accrued interest to yield 4.67% to maturity. The underwriting group comprises 235 investment firms.

The net proceeds from the sale will be added to the general funds of the company and will be available for the purchase of receivables or for maturing debt. The proceeds initially may be applied to reduction of short-term borrowings or invested in short-term securities.

The new debentures are not redeemable before March 1, 1971, except that, under a special redemption provision applicable on and after March 1, 1966, under certain conditions of declining retail receivables, the debentures are redeemable at special redemption prices. In the 12-months period beginning March 1, 1971, the debentures may be redeemed at the option of the company at 102.40% and thereafter at prices decreasing to the principal amount; under certain conditions of declining retail receivables the debentures may be redeemed at lower redemption prices.

GMAC finances the distribution of new products manufactured by General Motors Corp. to dealers for resale and finances such

dealers' retail instalment sales of new products as well as used units of any make. Financing related to automotive vehicles comprised 98% of the dollar volume of receivables purchased by GMAC in 1960.

Notes and bills receivable (after deducting unearned income and loss reserves) held by the company and its consolidated subsidiaries on Dec. 31, 1960, amounted to \$4,949,192,000 compared with \$3,963,262,000 on Dec. 31, 1959.

As of Dec. 31, 1960, GMAC had outstanding senior debt amounting to \$3,951,564,000 of which \$1,768,600,000 was payable within one year and \$2,182,964,000 was payable subsequent to one year. The amount of subordinated indebtedness was \$500,000,000.

All of the outstanding capital stock of GMAC is owned by General Motors Corp. Total capital stock and surplus on Dec. 31, 1960, amounted to \$394,561,000; consisting of \$50,000,000 of \$100 par value 4% cumulative preferred stock, \$165,000,000 of \$100 par value common stock and \$179,561,093 of earned surplus.

Two With Amott, Baker

J. Lester Blocker and Paul Paduck have joined Amott, Baker & Co., Incorporated as registered representatives.

Mr. Blocker will be associated with the Philadelphia office at 1420 Walnut Street.

Mr. Paduck will be associated with the firm's Rome, New York office, 108 East Dominick Street.

MUTUAL FUNDS

BY ROBERT E. RICH

Absorbing the Shock

Vendors of mutual funds are tiresomely familiar with the sales prospect who argues stubbornly that the spread-the-risk feature of investment companies is not needed by him because his money is invested in a corporate kingpin. This stock, he will insist, can be counted on to outperform the main body of issues on average because the company towers over the pivotal industry in which it operates.

Frequently all the eggs of the small-fry, go-it-alone investor go into that premier investment equity, American Telephone & Telegraph. Yet until the past few years, as any salesman who knows his business should reply, this was a notorious laggard. On other occasions the mutual fundman will have General Motors tossed at him. In high gear for many years, GM has gone into reverse of late as the automotive industry has come to grips with fierce foreign competition, burdensome inventories and rising sales resistance by the public. Then there are those one-stellar stock fellows who are all wrapped up in Standard Oil Company (New Jersey). The shrewd salesman will find no fault with that company and its management, but he can make a powerful argument out of the onerous problems that have plagued the international oils: burdensome inventories, import quotas, price-cutting and the threat to their properties in various parts of the world.

And now comes one of the finest arguments for spread the

risk with the heavy fines and jail sentences meted out to executives of mighty General Electric, Westinghouse Electric and other companies in the field for price-fixing activities. The import of a Federal court's decision was not lost on the financial community, where the kingpins of the electrical equipment industry plunged sharply. And it may be that the end of their troubles is not in sight, for customers—governmental and private—with alleged grievances are threatening damage suits to recover supposed overcharges.

The fund salesman now can—and no doubt will—make the point that GE, as an example, is the second-ranking stock in investor preference, according to the latest report by the New York Stock Exchange. That rating reflects its popularity under the Monthly Investment Plan, a favorite device of the small, go-it-alone investor.

As George A. Mooney, the able executive director of the National Association of Investment Companies, has said: diversification is one of the distinguishing features of the investment company and is recognized as a keystone of conservative investment practice. The 162 mutual fund and 25 closed-end members of N.A.I.C., which have combined assets of \$18 billion, attain diversity in a variety of ways. The professional managers of these funds combine the funds of many investors to invest in many corporations, thus reducing the risk inherent in all investing.

Now, GE, Westinghouse and other electrical equippers are staples of the well-rounded investment company's portfolio. Fund managers have good cause to moan at the blow dealt these companies, but they have managed to absorb the shock because such holdings represent only a part—usually a small part—of the total portfolio.

Members of N.A.I.C., as a group have investments in an estimated 3,500 security issues of some 2,000 different companies. As Mr. Mooney has said, a unique service is provided shareholders: their single stock certificate represents an equity in 50 or 100 or more corporations. Under changing market conditions, the shares of one of these companies may go down, the shares of another may rise and the shares of still another remain relatively stable. The good salesman will not fail to underscore the point that a diversification objective is an averaging of losses and gains to reduce risk.

The little do-it-yourself investor, who lights candles to the sacrosanct single corporate giant, is the kind of prospect who is made to order for the fund vendor who appreciates that investment companies offer a service of great value.

The Funds Report

American Research & Development Corp., a closed-end investment company, announced net assets at the end of 1960 were \$38,875,003, or \$25.33 a share. This compares with \$23,459,278, or \$19.80 a share, at the end of 1959.

Canadian Gas & Energy Investments Ltd., in its first annual report covering seven and one-half months of operation, announced it invested \$4,618,527 in companies engaged in production, transmission and distribution of natural gas, oil, electric power and related forms of energy. Quoted

market value of investment portfolio at Dec. 31 was \$4,861,598, an appreciation (unrealized) of \$243,071. A capital gain of \$79,870 was realized on securities sold. Net income amounted to \$4,937. Net asset value at the close of 1960 was \$4.94 a share.

Century Shares Trust reports that at the close of 1960 total net assets were at a new high of \$63,486,708. Asset value was \$9.91 a share, up from the \$9.51 at the end of 1959.

Electric Bond & Share Co. reports net asset value of the common stock at Dec. 31 was \$154,804,300, or \$29.48 a share. This is 3% less than asset value at the end of 1959. With the improvement in security prices during the fourth quarter of 1960, it was announced, asset value rose 8% from Sept. 30 to year's end.

Incorporated Investors reports that at Dec. 31 total net assets were \$299,522,516. Net asset value a share was \$8.41. This compares with \$10.11 at the end of 1959.

Investors Planning Corp. of America reported January sales of \$13,523,000, up 31.6% from the December 1960 total. According to Walter Benedict, President, I. P. C.'s business written last month compared with \$10,272,000 during December. The January total, however, was 7.5% under the record \$14,628,000 figure of the same month a year ago, Benedict added.

The Investment Co. of America at Dec. 31 had total net assets of \$189,185,901, or \$10.27 a share. This compares with \$162,270,678 and \$10.69 per share at the end of 1959. Average number of shares outstanding during 1960 was 16,853,235, against 13,924,711 in 1959.

Isstel Fund reports that at Dec. 31 total net assets were \$20,857,704, equal to \$34.97 on each of 596,466 shares. This compares with \$16,699,799 and \$31.92 on each of 523,122 shares at the end of 1959.

Johnston Mutual Fund Inc., in its annual report for 1960 puts size of the fund at \$16,795,272 and per share value at \$13.14. Comparable year-earlier figures are \$11,460,390 and \$12.21.

Keystone Custodian Fund, Series B-2, calculates that at the close of the Oct. 31, 1960, fiscal year

net asset value was \$21.20, against \$21.77 at Oct. 31, 1959. This fund invests its assets exclusively in bonds normally characterized by "moderate income and price fluctuations."

Keystone Custodian Fund, Series S-3, reports that at the close of the Oct. 31, 1960, fiscal year net asset value per share was \$11.75, down from the \$13.82 a year earlier.

Keystone Growth Fund, Series K-2, reports net asset value per share was \$15.21 on Dec. 31, compared with \$14.71 at the end of 1959.

Lexington Income Trust, one of the Templeton, Damroth group of mutual funds, reports these principal changes in its portfolio in the first quarter of its fiscal year which began Nov. 1:

New Investments—4,800 Fedders Corp., 2,000 Paddington Corp., 1,500 Robertshaw-Fulton, and 1,300 Seaboard Finance Co.

Additions—1,800 Interstate Department Stores.

Reductions—700 Lone Star Gas Company.

Eliminations—2,000 Combustion Engineering, 1,000 Ingersoll-Rand Co., 1,000 Northern Pacific Railway, and 3,000 Pacific Telephone & Telegraph Co.

Life Insurance Investors Inc., investment trust specializing in insurance stocks, ended the fiscal year to Jan. 31 with asset value per share 15% higher than six months earlier. Net assets of \$13,762,319 are equal to \$19.38 per common share outstanding, compared with \$16.84 per share on July 31, 1960.

Creation of a growth mutual fund has been announced by Heritage Securities Inc., distributor of an open-end fund known as **Mutual Investing Foundation**. It is marketed by agents of Nationwide Insurance. On Feb. 10, Mutual Investing Foundation (formerly Mutual Income Foundation) issued two classes of shares—its existing MIF Fund and the new MIF Growth Fund. Each class is a separate mutual fund with segregated assets and different investment objectives.

George S. Hough, President and General Manager of Heritage, said the purpose of the new fund is to enable investors to invest for

reasonable growth of capital without emphasis on current return. Share owners may transfer their investments from one fund to the other for a small fee, but without paying a sales charge. As of Dec. 30, Mutual Investing Foundation's assets amounted to \$24.2 million, a 28% increase from the \$18.8 million reported at the end of 1959. Shareholders at year end 1960 numbered 13,429, up 38% from the 9,721 at the end of the previous year.

North American Investment Corp. reports net income for 1960 amounted to \$249,858, against \$256,279 in 1959.

Sovereign Investors Inc. reports that at Dec. 31 net asset value was down to \$13.41 from \$14.77 at the end of the preceding year.

Rowe Price New Horizons Fund Inc. reported that as of Dec. 31 net asset value per share increased from \$10 to \$10.92, which represented a gain of 9.2% since the initial offering was made on June 3. The registration statement enabling the fund to offer its shares to the public became effective on Jan. 10, 1961 and subscriptions were first accepted on Jan. 13.

T. Rowe Price Growth Stock Fund Inc. reported total assets increased to \$39,913,712 on Dec. 31 from \$28,542,829 for the previous year. Total net assets increased \$11,370,883, or 39.8%, the number of shareholders increased 4,062, or 57.9%, and the number of shares outstanding increased 737,636, or 35.4%. During this period the net asset value per share of the fund increased from \$13.70 to \$14.15.

United International Fund Ltd., a mutual fund incorporated in Bermuda, has filed with the Securities and Exchange Commission an offering of 1,000,000 shares. Priced to sell at \$12.50 a share, the offering is being underwritten by a syndicate headed by Kidder, Peabody & Co., Bache & Co. and Francis I. duPont & Co. The fund, according to the prospectus, "was created in order to provide investors who are seeking capital appreciation with a means to share in managed and diversified investments throughout the Free World." Principal investment objective is described as "long-term capital appreciation."

FUNDAMENTAL INVESTORS, INC.

Investing in common stocks selected for possibilities of growth in income and capital over the years.

DIVERSIFIED INVESTMENT FUND, INC.

A balanced investment in bonds, preferred stocks and common stocks.

DIVERSIFIED GROWTH STOCK FUND, INC.

Investing for long term growth possibilities in securities of companies in many fields of scientific and economic development.

Hugh W. Long and Company
Incorporated
Westminster at Parker • Elizabeth, New Jersey

This announcement is neither an offer to sell nor a solicitation of an offer to buy any of these securities. The offer is made only by the Prospectus.

February 14, 1961.

NEW ISSUE

100,000 Shares

COMMON STOCK
(\$1.10 Par Value)

Price \$4 per Share

Copies of the Prospectus may be obtained only in each State where the securities may be legally offered.

PETER MORGAN & COMPANY
149 BROADWAY, NEW YORK 6, N. Y.

CORAL AGGREGATES
CORP.

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

Allocate New Issues Where They Will Help Build Business

There are investors who control substantial sums for investment and are seeking new avenues for the employment of their funds. Many of these individuals hold portfolios who do not invite the addition of small lots of securities because the task of management does not warrant it. The opportunity provided the fortunate security salesman who is in a position to offer even a modest amount of an attractive underwriting to certain of these accounts can often be of supreme value in building good will, and acquiring more of this valued business. If you are following the lines of least resistance and making allocations of new issues that are much in demand, without much thought or judgment, possibly a check-up along the following lines may be timely.

Review Your Better Prospects And Accounts

In the securities business, like any other, there are desirable customers. These are people with large buying and selling power, who know what they are doing. They are the clients who understand this business, and know how to take losses as well as profits. A man who controls investment funds running into the millions has an entirely different outlook than the fellow who has serimped together a few thousand dollars and buys some stocks. Money becomes a relative thing to an investor who doesn't need income and who has reached the point where he no longer must think of tomorrow's retirement or the financial future of his family. Many of these larger, individual, investment portfolios are considered in the light of a challenge, a game, or something to do, by their fortunate owners.

Most security salesmen consider themselves lucky if they develop only a few such accounts over the period of many years, but they often know of these people, and since these accounts are very desirable there is considerable competition for this business. It is therefore valuable to make a review of the people you know who are in this category from two

aspects. First, segregate the accounts with whom you may have done business once or twice in isolated instances that will fit into this category. There may be one or two individuals whom you have met through a special situation, or some particular circumstance, that you know are very substantial investors but where you are still on the outside looking in. Then check your prospect files and see if there are several more who qualify but with whom you have not been able to do any business.

Cultivate New Issue Business

If your firm is an underwriter, and a participant in a broad list of nationally recognized items of publicly offered syndicated new issues, you can use this advantage very effectively in opening desirable new accounts and in holding those you now have. Advise these specially selected prospects and customers that from time to time you can show them opportunities for investment in these publicly offered underwritings that may be of interest. Write to them along these lines and enclose a list of your firm's underwritings and participations for the preceding year. Or, write a letter explaining that you are in a position to keep them advised of a broad list of pending underwritings in which they may have an interest. Follow this up with a telephone or personal call and explain your position to them. **Do not oversell your ability to supply them with an unlimited amount of every attractive offering.** But make it clear to them that occasionally you may be able to help them acquire an issue where they may have a buying interest.

Don't Waste Your Ammunition

I have always enjoyed doing business with small accounts. The backbone of every business is the small- and medium-sized account. Many of these people are a real joy and a treasure over the years and I am sure that other salesmen will agree that you should never neglect your faithful, small accounts. But there are people, both large and small investors, who

will use you if they can. There are always those who are looking for a fast play in which there is little or no risk and they can make a few points. These people will have accounts with several brokers, or they will scour the waterfront and even try to pick up odd lots of an attractive new issue from several sources. If they get a quick rise they sell. This kind of business is completely undesirable and if you are foolish enough to confirm your choice allotments to these people, you will never receive any worthwhile business or thanks from them.

So save your attractive participations for the accounts that are serious investors. They may be doing only a small amount of business with you now, or none at all. Wait until a good account tells you they would like to buy some worthwhile new issue, save all of your allotment for them, whatever it is. They may have accounts with several other firms. If you come up with only a few hundred shares you may look so good that your customer may be so appreciative he will then begin to do more business with you. People often do business with you out of habit—but you first have to establish that habit. One of the best ways is to use your head, bide your time, cultivate those accounts with buying power, and put your sugar in the tea instead of spilling it on the floor.

R. M. Horner Joins Lubetkin, Regan

Robert M. Horner has become associated with Lubetkin, Regan & Kennedy, 44 Wall Street, New York City, members of the New York Stock Exchange, as Sales Manager. Mr. Horner was formerly a partner in R. M. Horner & Co.

Fred C. Hahnel, Robert Horner, Michael V. Latti, James M. Loeber, Vincent V. Pellegrino and T. Reid Ranking, formerly with R. M. Horner & Co., have also joined Lubetkin, Regan & Kennedy as registered representatives. Donald A. Anderson, Albion, N.Y., and George W. Goodwyn, Little Silver, N. J., are also associated with the firm.

Silver, Barry Admit

Silver, Barry & Van Raalte, 39 Broadway, New York City, members of the New York Stock Exchange, will admit Muriel J. Silver to limited partnership as of Feb. 23.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

American Natural Gas Company

The American Natural Gas System, with annual revenues of about \$235 million, has two major distributing companies, Michigan Consolidated Gas and Milwaukee Gas Light, and two large pipeline companies, Michigan - Wisconsin Pipe Line and American Louisiana Pipe Line Company. Michigan Consolidated distributes gas to a population of about 2,950,000 in Detroit and 129 other communities in Michigan, while Milwaukee Gas distributes to a population of some 1,070,000 in Milwaukee and 40 other communities in Wisconsin. The two pipelines operate a combined network of 3,300 miles from the Texas Panhandle Field and Louisiana Gulf Coast fields to Wisconsin and Michigan, with a daily capacity of about 1,200,000 Mcf. Extensive underground storage facilities are in Michigan.

The distributing companies and their predecessors have been serving manufactured or natural gas to Detroit and other cities in Michigan for over a hundred years, and Milwaukee Gas Light has also served Milwaukee for about the same length of time. However, the company's period of rapid growth started in 1949 when Michigan-Wisconsin Pipeline began operations (in prior years the only supply of natural gas had come from Panhandle Eastern Pipeline). American Louisiana Pipe Line began operations in 1956.

About 80% of system pipeline sales are made to the two distributing subsidiaries, with the balance sold principally to non-affiliated utility customers for resale in 200 communities in Michigan, Wisconsin, Illinois, Iowa and Missouri. The system is extending gas service to many other communities in Wisconsin and in the upper Michigan peninsula.

The system has enjoyed remarkable growth. In the last decade gross plant account has increased from \$300 million to \$880 million, revenues from \$75 million to \$235 million, and net earnings from \$7 million to \$29 million. The system's daily supply of natural gas has increased since 1949 from 127 million cf per day to over a billion cf at present; and with the development of large underground storage fields the system is now able to meet a maximum daily peak load of over 2.3 billion cf, of which over one-half would come from storage.

The company has a subsidiary, American Natural Gas Production Co., engaged in exploration and development; but operations thus far have been on a rather limited scale with moderate production. The company has been planning to increase its gas supply by some 330 million cf per day from three sources, the Laverne Field in Oklahoma, the western Canada fields, and Northern Natural Gas Co. The first two of these projects were completed last year, and hearings have been completed with respect to Northern Natural's supply. The company also expects to obtain another 50 million cf per day from Louisiana soon. The contract with Midwestern Gas Transmission for Canadian gas will give American the right to buy additional amounts as they may become available.

Some of this expansion has been necessary to take care of the loss of the 127 million cf a day formerly obtained from Panhandle Eastern Pipeline; that company had been reluctant to furnish the supply for some years, and finally cut it off in October, 1959. The case has been before the FPC and the courts. A compromise has now been suggested

by which Michigan Consolidated would take gas during the months of April and October only, for storage, and it is hoped that this plan will be approved.

Following the great increase in system supply, together with the large storage fields with a capacity of some 118 billion cf, waiting lists of space-heating customers have now been eliminated. At the start of the current heating season the company had about 765,000 space-heating customers of which 45,000 were added in the previous 12 months, and this growth is expected to continue. Gas has an excellent competitive advantage: in Detroit it costs about 35% more to heat with coal than with gas, and 50% more with oil; in Milwaukee oil costs about 15% more. Revenue from heating business accounts for about half of total distribution companies' revenues.

Other residential uses of gas have also increased and the average consumer is now taking at least 40% more gas (for uses other than heating) than a decade ago. Relatively new gas appliances are clothes dryers, incinerators, and yard lights. Gas air-conditioning for homes and office buildings provides a potentially big market. Industrial sales are expected to climb rapidly in 1961 and later years; there are important new technological developments favoring gas, especially in the steel industry. The company expects to more than double its industrial sales in Michigan in the next few years, and Milwaukee should also show a substantial increase.

As with other large integrated gas systems, American Natural Gas has some regulatory problems. The Michigan - Wisconsin Pipe Line subsidiary put into effect under bond higher wholesale rates of \$8,508,000 per annum in October, 1960, based on a requested rate of return of 6%. There was also an earlier case based on rates which went into effect in September, 1957. It remains to be seen whether the Commission will allow as high a return as 6% and assuming that the 1960 increase should be cut in half, this would eliminate roughly about 35 cents in share earnings, it is estimated. Recently the Michigan Commission authorized a rate increase for retail customers in that state of about \$7,500,000, but this was principally to compensate for the increased cost of gas resulting from the loss of the Panhandle Eastern supply; this increase should help improve 1961 earnings.

The company's earnings, while slightly irregular in trend, have increased from \$1.58 in 1949 to an estimated \$4.95 for 1960 and a projected \$5.25 for 1961 (since the latter was based on normal weather it might be increased by the current cold spell). In a recent talk before the New York Society of Security Analysts, President McElvenny stated: "We look for an increase in net income in 1961 and a further rise in 1962 as the benefits from our large expansion program of the last 12 months and continuing into the first half of 1961 are more fully realized. In comparing our current earnings per share with those of a few years ago, it should be borne in mind that we paid a 10% stock dividend in June of 1959, which, of course, reduced per share earnings."

American Natural Gas has been selling recently around 86½ on the New York Stock Exchange. The present dividend rate is \$3.

This announcement is neither an offer to sell nor a solicitation of an offer to buy any of these securities.
The offer is made only by the Prospectus.

NEW ISSUE

February 14, 1961

115,000 Shares

KLEER-VU INDUSTRIES, INC.

COMMON STOCK

(\$10 par value)

Price \$3.50 per share

Copies of the Prospectus may be obtained from such of the undersigned only in such States where the securities may be legally offered.

Paul Eisenberg Co.

Godfrey, Hamilton, Magnus & Co.

Incorporated

Complete Midland Capital Financing



Harold C. Stott, President of Midland Capital Corporation (seated right) receives a check for \$14,787,500 from Milton J. Yoeckel, (seated left) partner of Eastman Dillon, Union Securities & Co., which, with Granbery, Marache & Co., recently headed an underwriting group selling 1,300,000 shares of Midland Capital's common stock. The company is a small business investment company, organized recently by Marine Midland Corporation, a bank holding company which owns 11 banks with 178 offices located in 102 communities in New York State. The \$14,787,500 proceeds from the sale of the stock will be used by the company to provide investment capital and management services to eligible small business concerns, initially at least, in New York State.

Standing left is John L. Kelsey, partner in Eastman Dillon, Union Securities & Co. and Herbert W. Marache, Jr., partner in Granbery, Marache & Co. (standing right).

Our Reporter on
GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The February cash refunding operation of the Treasury brought in very large subscriptions for the 18-month 3 1/4s, but only \$7.3 billion were accepted by the Government. This new obligation was tailored to meet the needs of the investor, while at the same time it helped to supply the demand for short-term issues and in this way keep rates on these securities from going down. It is expected that the Treasury will continue to raise new money and refund obligations as they come due through the offering of securities that are in the near-term area of the market.

There is no question but what the pressure is on to reduce the yield on long-term Government obligations and it looks as though the Treasury, by operating mainly in the short-term sector of the money market, will be able to do something tangible about making this possible.

Refunding Issue Details

The Treasury offered to investors \$6.9 billion of 3 1/4% notes due Aug. 15, 1962 at 100 and accepted subscriptions totaling \$7.3 billion, thereby not only refunding the Feb. 15 maturity of 4 1/8% certificates but also obtaining \$405 million in new money. It had been indicated that the Government would pick up a bit of new money at the time the terms of the first refunding operation of the Kennedy Administration had been made public.

Total subscriptions to the cash offering of the 3 1/4s of Aug. 15, 1962 aggregated \$19 billion and, aside from the subscriptions of the Federal Reserve Banks and Government agency accounts which amounted to \$4.4 billion and were allotted in full, the rest of the subscribers were given 20% allotments but in no case less than \$10,000 of the refunding note. The Treasury has so far this year borrowed slightly more than \$900 million of new money, since \$500 million was obtained last month through the sale of Treasury bills. Whether the Government will have to obtain new money in the months ahead will depend upon the size of the deficit which is now indicated to be in the neighborhood of \$1 billion, according to Treasury Secretary Dillon.

Next Refunding Programs

The next scheduled refunding venture of the Treasury will not be coming along until early in the Spring when \$2 billion of the 12-month Treasury bills coming due in mid-April will have to be taken care of. After this April bill refunding is out of the way, the Treasury will then have to decide how to handle \$7.8 billion of securities which come due in May. By this time there will be much more data available on the business pattern and this will no doubt have had some influence on the money and capital markets as well as the kind of securities that will have been used for refunding and new money raising purposes.

Pressure on Long Interest Rates Indicated

Even though the money and capital markets will continue on the side of ease as long as the economic picture is on the defensive, it is not expected that the money market and the capital market will become as easy as was the case in past periods of a business recession. Nonetheless, it appears as if there will be a continued downward movement in the yield of long-term issues and this applies not only to non-Federal issues but also to Government bonds as well.

In addition, it is believed that there will not only be efforts by the Administration but also by the Congress to bring down the cost of long-term borrowing since this is the area in which investments by private business can do much to create work and thus help combat the unemployment situation which is a real problem at this or any other time.

The discussion over the future level of near-term and long-term interest rates goes on unabated because there are those money market experts who support the "bills preferable" policy and those who believe that greater flexibility will be put into the money and capital markets through the abandonment of this kind of open-market operation. It is believed in many quarters of the financial district that there will be lower long-term rates and higher short-term rates irrespective of what the Federal Reserve may do or

may not do in the matter since the Treasury in its debt management program can bring this about.

Boston Inv. Club
To Hear Feb. 21

BOSTON, Mass.—John F. Bohmfalk, Jr. will address the Boston Investment Club at its meeting on Tuesday, February 21, at the Harvard Club of Boston at 5:15 p.m. His topic will be "The Quest for Capital Gain."



John F. Bohmfalk, Jr.

Mr. Bohmfalk joined McDonnell & Company in 1958 and is now Vice-President in charge of their Research Department. He writes and publishes McDonnell's monthly "Growth Stock Review." His most recent publication in the November-December, 1960 *Analysts Journal*, "The Growth Stock Philosophy," summarizes these views.

Hughbanks Names
New Officers

SEATTLE, Wash.—Hughbanks Incorporated, Dexter Horton Bldg., has announced the election of the following officers:

Al Hughbanks, Chairman of the Board; H. James Morford, President; James G. Morford, Vice-President.

Detroit Bond Club
To Hold Dinner

DETROIT, Mich.—The 45th Annual Dinner of the Bond Club of Detroit will be held Tuesday, Feb. 21, 1961, at the Detroit Boat Club. Julius Pochelon, Kenower, MacArthur & Co., is President of the organization.

Newborg to Admit

Newborg & Co., 25 Broad Street, New York City, members of the New York Stock Exchange, on Feb. 23 will admit Janet K. Buschman to limited partnership.

Dean Witter Co.
Training Program

SAN FRANCISCO, Calif.—A total of 95 graduates of the Dean Witter & Co. sales training program joined the firm as account advisors in the fiscal year ended Jan. 31, partner G. Willard Miller, Jr. announced.

Since the Witter program was established in 1945, 514 men have been trained in the fundamentals of the investment business, at a cost of approximately \$5,000,000. To date the program has produced 12 partners of the firm.

The Dean Witter training program is one of the oldest and most intensive in the securities industry. The curriculum includes a course on investment banking, the New York Institute of Finance's correspondence course on investment, on-the-job training in each of the firm's 11 departments, and daily classroom lectures by partners, department heads and guest speakers from the world of finance.

During the six months' program, each student must pass a series of examinations given by the firm and certain regulatory bodies. Upon successfully completing the program, he becomes registered with the New York Stock Exchange, and the other exchanges of which Dean Witter is a member, as a customer's broker. He was also registered with several industry and governmental agen-

cies. For the next six months the Witter account advisor continues under close direction and supervision while actually dealing with the public.

Dean Witter & Co. is one of the nation's largest investment banking and brokerage firms with headquarters outside of New York City. The firm has more than 1,500 employees and 45 offices from New York to Honolulu. It is a member of the New York Stock Exchange, the Chicago Board of Trade, and other leading securities and commodities exchanges.

Chicago Analysts Change
Economic Forum Date

CHICAGO, Ill.—The Investment Analysts Society of Chicago had scheduled a special "Forum on Economic Methods" for their Feb. 16 meeting. This has been postponed to March 2.

There will be no meeting on Feb. 16 as a result of the change in program. However, the next meeting of the Society will be Feb. 23 on the subject of Gardner-Denver Company.

Birr Adds to Staff

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif.—Roy A. Esperance has been added to the staff of Birr & Co., Inc., 155 Sansome St., members of the Pacific Coast Stock Exchange. He was formerly with Dempsey-Tegeler & Company.

All of these shares having been sold,
this announcement appears as a matter of record only.

NEW ISSUE

February 14, 1961

100,000 Shares

Americana Properties, Inc.

COMMON STOCK
(Par Value 10¢ per Share)

Price \$6.00 Per Share

Copies of the Prospectus may be obtained only in
such States where the securities may be legally offered.

PLYMOUTH SECURITIES
CORPORATION

NEWS ABOUT BANKS AND BANKERS

Consolidations • New Branches • New Offices, etc. • Revised Capitalizations

Approval was given Jan. 31 to an application for an increase of capital stock for the **Chase Manhattan Bank, New York, New York**, from \$167,879,250 consisting of 13,430,340 shares of the par value of \$12.50 each, to \$174,594,425 consisting of 13,967,554 shares of the same par value.

The **Chase Manhattan Bank, New York, New York**, has increased its common capital stock from \$174,594,425 consisting of 13,967,554 shares of the par value of \$12.50 each, to \$182,988,387.50 consisting of 14,639,071 shares of the same par value effective Feb. 1.

The **Chase Manhattan Bank, N. Y.**, began construction of its first suburban office Feb. 14 when ground was broken at 22 Grace Ave., Great Neck Plaza, Long Island.

The **Chase Manhattan Bank, N. Y.**, opened a new branch in Lagos, Nigeria, Feb. 13.

Opening of the new office at the corner of Broad and Odunlami Sts. brought the total of Chase Manhattan overseas branches to twenty-six.

Welton H. Hewitt is Manager of the new branch.

Alfred H. Von Klemperer has been re-elected a Vice-President of **Morgan Guaranty Trust Company of New York**. Mr. Von

Klemperer returns to the bank's international banking division after nearly 14 months' service as Assistant to the Secretary of the Treasury. Before his Washington service he had been a Vice-President of the bank since 1957.

Also announced was the election of Evan G. Galbraith as an Assistant Vice-President of **Morgan Guaranty International Banking Corporation** and **Morgan Guaranty International Finance Corporation**, wholly owned subsidiaries of Morgan Guaranty.

James S. Rockefeller, Chairman of **First National City Bank, N. Y.**, N. Y., and Ralph T. Tyner, Jr., Chairman of the Board of **National Bank of Westchester, White Plains, N. Y.**, announced plans to combine the two banks, subject to the approval of shareholders and of the Comptroller of the Currency. The terms of the agreement made by the respective Boards of Directors call for the exchange of one share of First National City Bank stock for each two shares of National Bank of Westchester stock. National Bank of Westchester Division of First National City. First National City shareholders will be asked to approve the necessary increase in the outstanding stock of that bank. The shares of National Bank of Westchester to be exchanged will include the 4% stock dividend payable in March 1961.

Lewis H. Semel, Vice-President of the **Bankers Trust Company, New York, New York**, died on Feb. 13 at the age of 51.

The **Grace National Bank of New York, New York, New York**, has increased its common capital stock from \$4,000,000 to \$6,000,000 by a stock dividend, effective Jan. 30. (Number of shares outstanding 60,000 shares, par value \$100.)

Approval was given Feb. 1 to a certificate of increase of capital stock of the **Underwriters Trust Company, New York, New York**, from \$1,000,000 consisting of 10,000 shares of the par value of \$100 each, to \$2,000,000 consisting of 50,000 shares of the par value of \$40 each.

Approval was given Feb. 2 to a certificate of amendment of certificate of incorporation providing for a change of the number and par value of capital stock from \$1,000,000 consisting of 10,000 shares of the par value of \$100 each, to \$2,000,000 consisting of 50,000 shares of the par value of \$40 each, for the **Underwriters Trust Company, New York, N. Y.**

The election of Justin J. Murphy and George S. Horton as Trustees was announced by E. Henry Powell, President of the **City Savings Bank of Brooklyn, N. Y.**

Approval has been given to a certificate of increase of capital stock of the **Long Island Trust Company, Garden City, N. Y.**, from \$2,763,595 consisting of 552,719 shares of the par value of \$5 each, to \$3,157,345 consisting of 631,469 shares of the same par value.

Long Island Trust Company, Garden City, New York, and **The Lindenhurst Bank, Lindenhurst, New York**, merged under the title of the **Long Island Trust Company, Jan. 30.**

Approval has been given to the **Hempstead Bank, Hempstead, N. Y.**, to a certificate of amendment of certificate of incorporation, dated Jan. 26, providing for an increase of capital stock from \$1,500,000 consisting of 300,000 shares of the par value of \$5 each, to \$1,800,000 consisting of 360,000 shares of the same par value.

The **Northern Westchester National Bank, Chappaqua, Chappaqua, New York**, has increased its common capital stock from \$250,000 to \$375,000 by the sale of new stock, effective Jan. 31. (Number of shares outstanding 30,000 shares, par value \$12.50.)

Approval has been given to a certificate of increase of capital stock of the **State Bank of Albany, Albany, New York**, from \$7,145,380 consisting of 714,538 shares of the par value of \$10 each, to \$7,502,650 consisting of 750,265 shares of the same value.

The **First Trust Company of Albany, Albany, New York**, has changed the number and par value of previously authorized shares of capital stock from \$1,000,000 consisting of 20,000 shares of the par value of \$50 each, to \$1,000,000 consisting of 100,000 shares, of the par value of \$10 each.

Approval has been given to certificate of increase of capital stock from \$10,742,140 consisting of 537,107 shares of the par value of \$20 each, to \$10,957,000 consisting of 547,850 shares of the same par value, for the **Lincoln Rochester Trust Company, Rochester, New York.**

Approval has been given to certificate of increase of capital stock of the **Central Trust Company, Rochester, New York**, from \$3,259,880 consisting of 162,994

shares of the par value of \$20 each, to \$3,585,880 consisting of 179,294 shares of the same par value.

The **Riverside Trust Company, Hartford, Conn.**, has received permission to merge with **Broad Brook Bank & Trust Company, Town of East Windsor, Conn.**, under the title of **Riverside Trust Company.**

The **Linden Trust Company, Linden, N. J.**, has received permission to merge with **Union County Trust Company, Elizabeth, N. J.** under the title of **Union County Trust Company.**

The **First National Bank of Passaic County, Paterson, N. J.**, has increased its common capital stock from \$5,000,000 to \$5,500,000, by a stock dividend, effective Feb. 2. (Number of shares outstanding 220,000 shares, par value \$25.)

The **Montclair National Bank and Trust Company, Montclair, N. J.**, has increased its common capital stock from \$1,433,250 to \$1,605,240 by a stock dividend, effective Jan. 30. (Number of shares outstanding 160,524 shares, par value \$10.)

The **National Bank of New Jersey, New Brunswick, N. J.**, has increased its common capital stock from \$1,155,000 to \$1,270,500 by a stock dividend, effective Feb. 3. (Number of shares outstanding 127,050 shares, par value \$10.)

Feb. 2 was the date of effect of the merger of the **Central Jersey Bank & Trust Company, Freehold, N. J.**, and the **Allenhurst National Bank, Allenhurst, N. J.**, with result that the new institution, called **Central Bank and Trust Company** has total assets of \$63,500,000.

The **Hillside National Bank, Hillside, N. J.**, has increased its common capital stock from \$500,000 to \$1,000,000 by a stock dividend, effective Feb. 1. (Number of shares outstanding 20,000 shares, par value \$50.)

The **Vineland National Bank and Trust Company, Vineland, N. J.**, has increased its common capital stock from \$300,000 to \$600,000 by a stock dividend, effective Feb. 1. (Number of shares outstanding 60,000 shares, par value \$10.)

Edward I. H. Bennett has been promoted to Executive Vice-President of the **Western Pennsylvania National Bank, Pittsburgh, Pennsylvania.**

The **Western Pennsylvania National Bank of McKeesport, McKeesport, Pa.**, has increased its common capital stock from \$6,537,400 to \$6,668,140 by a stock dividend, effective Feb. 3. (Number of shares outstanding 666,814 shares, par value \$10.)

The **National Bank of Chester County and Trust Company, West Chester, West Chester, Pa.**, has increased its common capital stock from \$400,000 to \$500,000 by a stock dividend, effective Jan. 30. (Number of shares outstanding 50,000 shares, par value \$10.)

The **Collegeville National Bank, Collegeville, Pa.** with common stock of \$200,000 was merged with and into **Provident Tradesmens Bank and Trust Company, Philadelphia, Pa.** under the title of **Provident Tradesmens Bank and Trust Company**, effective Dec. 30.

The **Perkiomen National Bank of East Greenville, East Greenville, Pa.** with common stock of \$100,000 was merged with and into **Industrial Trust Company, Philadelphia, Pa.**, under the title of **Industrial Trust Company**, effective Dec. 30.

The **Dauphin Deposit Trust Company, Harrisburg, Pa.** application for permission to merge with **Camp Curtin Trust Company, Harrisburg, Pa.** under the title of **Dauphin Deposit Trust Company** has been disapproved.

The **National Bank of Slatington, Slatington, Pa.**, has changed its title to the **Slatington National Bank and Trust Company**, effective Feb. 1.

The **Petersburg Savings and American Trust Company, Petersburg, Va.**, has received permission to merge with the **Bank of Hopewell, Va.**, under the title of **Petersburg Savings and American Trust Company.**

The **First National Bank of Cincinnati, Cincinnati, Ohio**, has increased its common capital stock from \$10,000,000 to \$12,500,000 by a stock dividend, effective Feb. 1. (Number of shares outstanding 1,250,000, par value \$10.)

The **Union National Bank of East St. Louis, East St. Louis, Illinois**, has increased its common capital stock from \$300,000 to \$600,000 by a stock dividend, effective Jan. 31. (Number of shares outstanding 36,000 shares, par value \$16.66%)

The **First National Bank of Highland Park, Highland Park, Illinois**, has increased its common capital stock from \$200,000 to \$1,000,000 by a stock dividend, effective Jan. 31. (Number of shares outstanding 50,000 shares, par value \$20.)

The **National Bank of Detroit, Detroit, Michigan**, has increased its common capital stock from \$40,000,000 to \$45,000,000 by a stock dividend, effective Jan. 31. (Number of shares outstanding 3,600,000 shares, par value \$12.50.)

The **National Bank of Jackson, Jackson, Michigan**, has increased its common capital stock from \$1,496,085 to \$1,645,680 by a stock dividend, effective Jan. 31. (Number of shares outstanding 109,712 shares, par value \$15.)

The **Oshkosh National Bank, Oshkosh, Wisconsin**, has increased its common capital stock from \$300,000 to \$400,000 by a stock dividend, effective Jan. 31. (Number of shares outstanding 40,000 shares, par value \$10.)

The **Citizens State Bank, Wausaw, Wis.**, has changed its title to **Citizens State Bank & Trust Company.**

The **First National Bank and Trust Company of Beloit, Beloit, Wisconsin**, has increased its common capital stock from \$200,000 to \$300,000 by a stock dividend, effective Feb. 1. (Number of shares outstanding 6,000 shares, par value \$50.)

The **Second National Bank of Beloit, Beloit, Wisconsin**, has changed its title to the **First National Bank and Trust Company of Beloit**, effective Feb. 1.

The **Midland National Bank of Minneapolis, Minneapolis, Minnesota**, has increased its common capital stock from \$2,500,000 to \$3,000,000 by a stock dividend, effective Jan. 30. (Number of shares outstanding 30,000 shares, par value \$100.)

The **Northwest Security National Bank of Sioux Falls, Sioux Falls, South Dakota**, has increased its common capital stock from \$1,000,000 to \$1,500,000 by a stock dividend, effective Jan. 31. (Number of shares outstanding 15,000 shares, par value \$100.)

The **American National Bank and Trust Company of Shawnee, Shawnee, Okla.**, has increased its

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common capital stock from \$500,000 to \$750,000 by a stock dividend, effective Jan. 31. (Number of shares outstanding 75,000 shares, par value \$10.)

The Union National Bank of Bartlesville, Bartlesville, Okla., has increased its common capital stock from \$300,000 to \$500,000 by a stock dividend, effective Feb. 2. (Number of shares outstanding 20,000 shares, par value \$25.)

The First National Bank of Vinita, Vinita, Okla., has changed its title to the **First National Bank and Trust Company of Vinita**, effective Feb. 2.

The First National Bank and Trust Company of Vinita, Vinita, Okla., has increased its common capital stock from \$200,000 to \$300,000 by a stock dividend, effective Feb. 2. (Number of shares outstanding 15,000 shares, par value \$20.)

The Arkansas First National Bank of Hot Springs, Hot Springs, Ark., has increased its common capital stock from \$200,000 to \$300,000 by a stock dividend, effective Feb. 1. (Number of shares outstanding 3,000 shares, par value \$100.)

Arkansas Trust Company, Hot Springs, Ark., has changed its title to **Arkansas Bank and Trust Company**.

The Arkansas National Bank of Hot Springs, Hot Springs, Ark., has changed its title to the **Arkansas First National Bank of Hot Springs, Hot Springs, Ark.,** effective Feb. 1.

The Hamilton National Bank of Knoxville, Knoxville, Tennessee, has increased its common capital stock from \$2,500,000 to \$3,000,000 by a stock dividend, effective Jan. 31. (Number of shares outstanding 30,000 shares, par value \$100.)

The Citizens National Bank in Gastonia, Gastonia, North Carolina, has increased its common capital stock from \$750,000 to \$1,000,000 by a stock dividend, effective Feb. 2. (Number of shares outstanding 100,000 shares, par value \$10.)

The Barnett National Bank of Jacksonville, Jacksonville, Fla., has increased its common capital stock from \$4,000,000 to \$5,000,000 by a stock dividend, effective Feb. 2. (Number of shares outstanding 250,000 shares, par value \$20.)

The Barnett National Bank of Cocoa, Cocoa, Fla., has increased its common capital stock from \$400,000 to \$500,000 by a stock dividend, effective Feb. 1. (Number of shares outstanding 50,000 shares, par value \$10.)

The St. Augustine National Bank, St. Augustine, Fla., increased its common capital stock from \$350,000 to \$450,000 by a stock dividend, effective Jan. 31. (Number of shares outstanding 18,000 shares, par value \$25.)

A charter has been issued to the **National Bank of Tampa, Tampa, Hillsborough County, Fla.** It will have C. Earl Herren as its President, and E. K. Tyson as its Cashier, and a total of \$700,000 in capital and surplus.

The First National Bank of Jefferson Parish at Gretna, Gretna, Louisiana, has changed its title to the **First National Bank of Jefferson Parish**, effective Feb. 1.

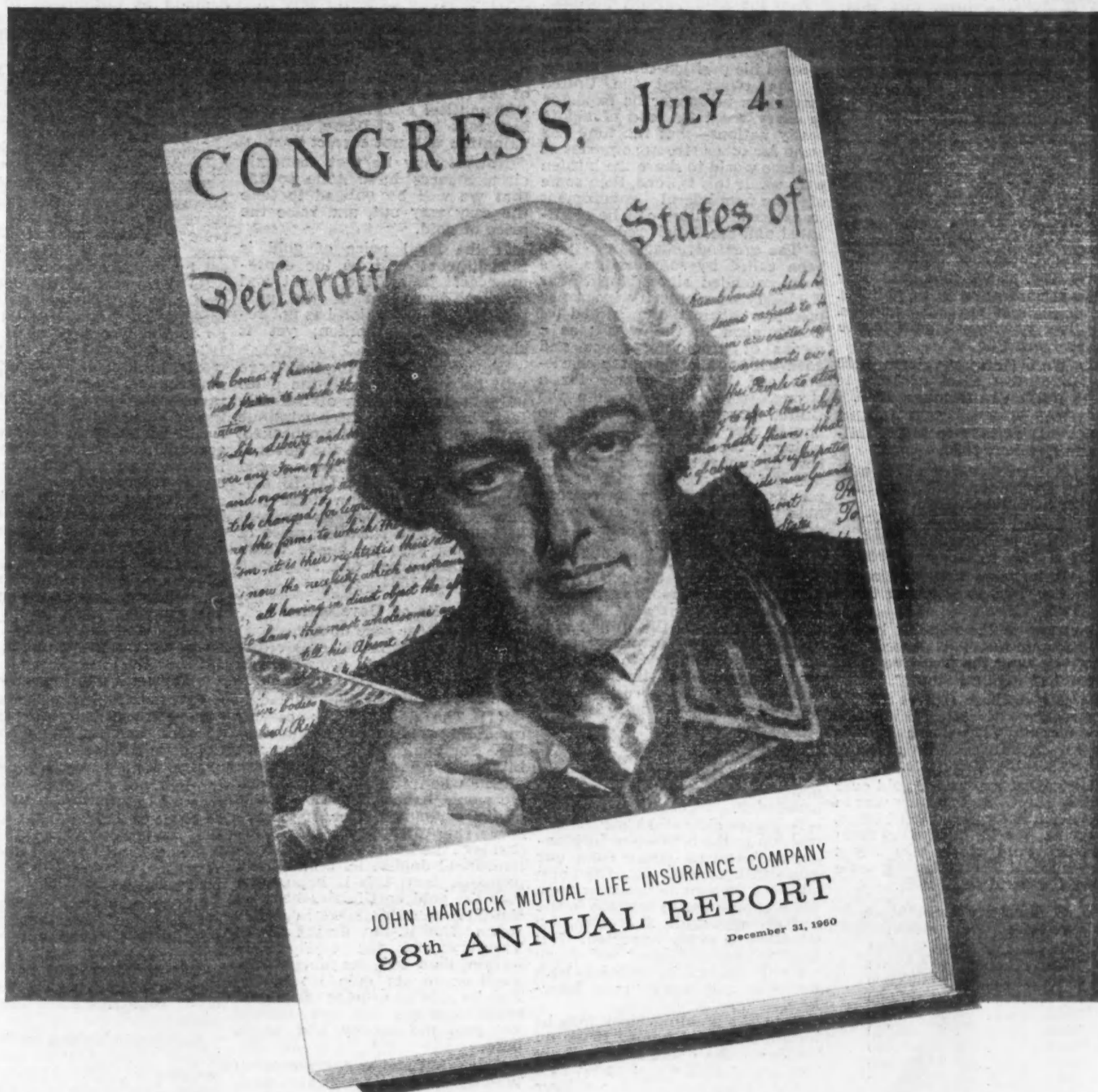
The First National Bank in Garland, Garland, Texas, has increased its common capital stock from \$500,000 to \$550,000 by a stock dividend, and from \$550,000

to \$600,000 by the sale of new stock, effective Feb. 2. (Number of shares outstanding 30,000 shares, par value \$20.)

The First National Bank of Nevada, Reno, Nev., has increased its common capital stock from \$5,500,000 to \$8,250,000 by a stock dividend, effective Feb. 2. (Number of shares outstanding 825,000 shares, par value \$10.)

The Chase Manhattan Bank (South Africa) Ltd. opened a new head office in Johannesburg, Union of South Africa, Jan. 4. The Chase Manhattan Bank (South Africa) Ltd. is a wholly-owned subsidiary of The Chase Manhattan Bank, New York. The Managing Director of The Chase Manhattan Bank (South Africa) Ltd. is Frederick Robinson.

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In the homes of millions of American families a John Hancock life insurance policy is a symbol of independence. To these families it means a brighter future, better opportunities for their children, protection for

their savings and security in their later years. At John Hancock we are proud to serve so many Americans in so many ways.

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Causes of Our Gold Losses And the Devaluation Problem

Continued from page 1

something with him. Playing the gold game is a little like that. Uncle Sam became so good at it back in the 1920's that he came into possession of such a large part of the world's monetary gold that a lot of players dropped out of the game—and he, himself, had to quit as a consequence.

Now it might help to have a wider distribution of gold—we might get the game going again! But we still had in June, 1960, about half of all the reported gold reserves in the world (Russia, the Iron Curtain countries, and Red China not reporting).

However, as we lose gold only a few nations seem to be gaining. Out of some 46 reporting nations, just five show much gain in the past five years or so:

(1) West Germany, from \$920 million at the close of 1955 to \$2,915 million in October, 1960.

(2) France, from \$581 million at the end of 1957 to \$1,622 million in October, 1960.

(3) Netherlands, from \$744 million in December, 1957, to \$1,376 million in October, 1960.

(4) United Kingdom, from \$2-120 million in December, 1955, to \$3,139 million in October, 1960.

(5) Italy, from \$338 million in December, 1956 to \$1,998 in October, 1960.

Contrary to the popular belief, Switzerland has not gained impressively over the past five years—less than \$200 million.

Of course, these figures are for gold reserves of central banks and governments. They do not include private holdings, which could make a sizable difference.

The largest amount of gold ever held by the U. S. Treasury was in 1949 when it exceeded \$24 billion. Prior to World War II (1938) Treasury gold stock was about \$14.5 billion. The following table shows the trend since 1938.

U. S. Treasury Gold Stock

Year End	Amount
1938-----	\$14,512,000
1939-----	17,644,000
1940-----	21,995,000
1941-----	22,737,000
1942-----	22,726,000
1943-----	21,938,000
1944-----	20,619,000
1945-----	20,065,000
1946-----	20,529,000
1947-----	22,754,000
1948-----	24,244,000
1949-----	24,427,000
1950-----	22,706,000
1951-----	22,695,000
1952-----	23,186,000
1953-----	22,091,000
1954-----	21,793,000
1955-----	21,753,000
1956-----	22,058,000
1957-----	22,859,000
1958-----	20,587,000
1959-----	19,507,000
Jan. 11, 1961	17,615,000

Why has our gold supply been under pressure? The principal reason lies in the persistent deficit in our balance of international payments which results in an excess amount of dollars abroad.

Reason for Balance of Payment Deficit

This deficit has not been due to an unfavorable balance of trade because all along we have been selling more goods to the rest of the world than we have been buying, although the difference between exports and imports has been narrowing. The real trouble is traceable to the fact that we have done other things which result in debits larger than the credits from our trade. These are (1) unilateral transfers, principally government transfers for military and other aid, averaging

about \$3 billion a year; and (2) U. S. capital invested abroad.

Now the all-important question: Is this condition chronic or temporary? Former Secretary of the Treasury Robert Anderson expressed his position rather clearly to the effect that the United States can no longer be expected to carry the total load of aid to needy nations—that the time has come for other strong countries of the free world to share the burden with us. If this is done, then some of the unilateral government transfers of dollars can be eliminated and the deficit reduced.

"The great giveaway," as it has been called by some critics, has been defended since World War II chiefly as a security insurance premium against the spread of Communism in the world; as a means of promoting peace and good will; and as being the charitable and humane course for a strong, wealthy nation like the United States to follow. While no one is ever able to second-guess history, "the great giveaway" has cost us many billions of dollars, and we still are not sure of the results. But it does seem reasonable to insist that our able partners in the free world begin to pay some of the tab.

Other deficit-reducing suggestions have been made from various sources. These suggestions range all the way from the rather popular one that the use of aid-dollars be limited to purchases of goods in this country to the gnawing proposal that men in our armed forces abroad not be allowed to have their families with them. Actually we have already adopted the policy of requiring some of our foreign aid to be spent in the United States. The policy conceivably could be broadened.

It seems clear that our deficit position in the balance of international payments stems from our own volition rather than from any inherent economic disadvantage our economy has in relation to the rest of the world. Therefore, the situation can be corrected. But because we can does not mean we will correct it. Politics, both domestic and world, may interfere.

Biggest stumbling-block may be inflation here at home. If we do not keep the dollar's value here reasonably stable and show evidence to the world that we have the will and determination to stop inflation, an even greater drain on our gold may occur. But if internal politics forces us to return to a low-interest policy, it will be a sign of weakness and a signal for foreigners (as well as our own people) to take flight from the dollar and withdraw gold.

Devaluation Is Avoidable

What we are saying is that the circumstances that could result in official dollar devaluation are avoidable because they are not inevitable. The world excused us for what we did in 1934 because we were in a serious depression; but there is no such excuse at present. Devaluation by the strongest nation in the world under prosperous conditions would do permanent damage, indeed. We would most assuredly lose our dominant financial position.

One thing should now be quite plain. Nations like Japan, West Germany, England, Russia, Belgium, France, and Italy have recovered from the war, and in most instances are in far stronger industrial position than ever before. We can expect more and more competition from them in world markets, as is already very evident. Currency devaluation is not the answer because that is only super-

ficial and does not cure the fundamental ailment. In the short run, devaluation is just a stimulant that soon wears off, leaving the basic trouble uncorrected.

More attention should be given to answering such questions as why our products are meeting with greater foreign competition both in the domestic and the world markets and why American industry is building so many plants outside the United States. We probably would find that most of the cause arises from economic and political circumstances existing right here at home, and devaluation will not correct them.

Now it may be that economic circumstances have gone so far that we will be obliged to take the easy way out, and raise the price of gold.

If the legal price of gold is raised, what will be the consequences? In all the recent and current discussion of the gold problem, this question has not received much attention; yet it should.

We are not saying that there will be an increase in the price of gold (devaluation of the dollar), but circumstances continue to develop which, if unchecked, will eventually force the government either (1) to abandon gold as a credit reserve; (2) to embargo gold; (3) to lower the gold reserve ratio from its present 25%; or (4) to raise the price of gold from \$35 per ounce where it has been fixed and supported since early 1934.

Results of Devaluation

Suppose (for sake of discussion) that the government unilaterally boosts the price to \$70. Here is what either would happen or probably would happen:

(1) The dollar value of our remaining gold supply would double. For example, if we had \$14 billion worth of gold at \$35 an ounce when the price is raised, we would have \$28 billion worth at \$70 per ounce. Now if the reserve ratio of 25% remained unchanged, the Federal Reserve System could double its credit base, provided (and this is important) that the gold certificates held by the Fed were doubled in dollar value. But if the United States Treasury took the gain of \$14 billion, then only as the government spent its gain would the Fed be able to acquire more gold certificates and the new amount get into the money and credit base.

This raises a very delicate point: Who actually owns the gold? Back in 1933 when gold was called in, it accumulated in the Fed Banks and then was turned over to the Treasury on the basis of \$20.67 an ounce, the approximate legal price that had prevailed since 1792, with only very slight, minor changes in 1834 and 1837. In exchange for the gold, the Treasurer of the United States set up certified dollar credits in favor of the Fed Banks and subsequently issued gold certificates against these certified credits.

Early in 1934 the government raised the price of gold from \$20.67 an ounce to \$35, a step in its deliberate efforts to stimulate the depressed economy by inflation. At the time, the Treasury held about \$4 billion in gold at the old price which by fiat then became \$6.8 billion, creating a devaluation gain of \$2.8 billion which the Treasury captured. The Fed Banks did not share in the "profit."

Actually the government owns the gold under a rather nebulous (almost fictional) arrangement. The gold certificates do not circulate. They are not paid out by the Fed Banks. In fact, they are not held in the vaults of the Fed Banks, with the possible exception of the New York Fed Bank. They are mostly held in Washington. Few officers of Fed Banks

have ever seen one of these gold certificates.

From official published reports we learn that the certificates bear on their face the following simple language: "This is to certify that there is on deposit in the Treasury of the United States—dollars in gold, payable to bearer on demand as authorized by law." Now, the law says that only the Fed and the government may own these certificates and that the Secretary of the Treasury shall set up conditions and terms under which the bearer shall be paid the gold—and that is what the words "as authorized by law" mean. Furthermore, the certificates are in dollars, not ounces.

The situation, then, is that the government owns the gold; but there are offsetting gold certificate liabilities against it which may be realized only on terms set by the government.

So there seems little doubt but that any devaluation gain from raising the price of gold would go to the Treasury as it did in 1934. Additional gold certificates would be issued, however, as the government spent its gain, and these would go to the Fed Banks in exchange for Federal Reserve credit (deposits to the Treasury's account). In that way they would become a part of our money and credit reserve base.

It is important to point out, however, that the potential multiplier effect of this process would come under the control of the monetary authority (the Fed) which would still retain the power to determine the money supply of the economy even to the extent of offsetting the amount of gain spent by the government, if seen fit.

Impact Upon Price Level

(2) This logically leads to another effect of increasing the price of gold; namely, the effect upon domestic prices.

Following the 1934 devaluation, the index of wholesale prices rose from 87 in 1933 (1913=100) to 108 in 1934; to 115 in 1935; to 116 in 1936; and was back to 113 in 1940. It was not until we got into World War II that the index rose to where it was in 1928.

Of course, present circumstances are different from those prevailing in 1934. Then our economy was greatly depressed, as was the world economy, but now only a slight recession exists here, and other countries have been prospering.

Very probably the psychological impact of devaluation now would produce a quick upward spurt in some domestic prices, especially those of items in which speculators take an interest, but higher prices would not hold for any appreciable length of time unless the total money supply increased in the economy. And, as already stated, this would be a matter for the monetary authority (the Federal Reserve authority) to decide, as the law now stands.

But the best guess is that the conditions forcing devaluation in the first place would also force the Fed to enlarge the money supply and bring about more inflation. So it seems reasonably safe to conclude that devaluation would mean a higher price level, with some prices more affected than others and over varying periods of time.

Foreign Exchange Effect

(3) Most immediate and most certain effect of dollar devaluation would be upon foreign exchange rates. If Uncle Sam unilaterally should double the price of gold, the dollar quickly would depreciate in the neighborhood of 50% in terms of the currencies of other countries with which we carry on trade relations. Because our domestic commodity prices for some time would likely not increase as much relatively as the dollar would depreciate in foreign exchange, devaluation would make

the United States a great bargain counter for foreigners until our price level and that of other countries came into balance, either from supply and demand forces or from retaliatory action by other countries.

History shows that invariably unilateral currency devaluation acts to stimulate exports and to repress imports. In other words, the devaluating country becomes a good place to buy and a poor one in which to sell—for a while. Realistically, by devaluation we would be engaging in a kind of give-away, more subtle, of course, than the give-away we have been practicing.

It is hardly conceivable that other countries would not take steps to protect their economies against unilateral devaluation on our part. So the bargain-counter would not last long. No country would want us to export our unemployment to it!

Impact Upon Securities

(4) Many of our customers are curious about the effect of devaluation upon security prices. There is no sure, pat answer. The probability is that stock prices would be stimulated and bond prices (especially of long maturity bonds) would be depressed. This has been the general effect of inflation historically.

The magnitude of specific security price changes, however, would depend upon various other factors. For example, not all common stocks are good inflation hedges—at least not equally good. All else being equal, equities in companies with considerable wealth in the ground have an advantage over equities in companies which must buy their materials. All else being equal, equities in companies that have recently installed new equipment and have new and expanded plants are preferable as hedges to common stocks in companies that have not yet completely modernized.

All else being equal, equities in companies whose costs of production consist of a relatively small percentage of labor costs afford a better hedge than equities in companies with relatively large labor costs. All else being equal, equities in strong companies having considerable indebtedness in their capital structures are better hedges than equities in companies whose capital structures consist entirely or mostly of ownership capital. All else being equal, such companies as chemicals and companies known to have excellent research facilities are preferable to companies not so situated. Finally, companies whose prices are under public administration, like utilities, air lines, railroads, etc., just simply cannot qualify as companies whose equities provide very much hedge. But when you look for stocks that appear to be the best hedges under the above qualifications, you will discover quickly that other folks have already been there; because prices are high and yields low, discounting anticipated inflation.

Bond Prices

So far as bonds are concerned, prices might not be depressed as much as some analysts think. The initial impact very likely would drive prices down rather sharply (provided devaluation had not already been discounted substantially in the market). We have so many financial institutions like banks, insurance companies, trust companies, etc., which take in dollars and pay out dollars, regardless of the dollar's purchasing power, and which operate under laws directly or indirectly inducing them to invest in bonds that there would likely not be any great decline in prices for very long.

Most of the downward pressure on bond prices would come (a) from individuals anticipating devaluation by selling their bonds ahead of devaluation and invest-

ing the money elsewhere; (b) from foreigners seeking to convert dollar-claims into other currencies or into gold or maybe even into American stocks and real estate.

(5) Finally, what would be the effect of devaluation upon real estate prices? Many people consider real estate to be as good a hedge against inflation as anything. To date, it has been, for sure, a good one; and we can expect it to be good against further inflation. But you cannot close your eyes and buy just any real estate. It should be well located and useful.

No Perfect Hedge

Let there be no mistake about it, there is no perfect hedge against inflation, except to prevent it in the first place. There is no example in all history to prove that any nation ever traveled down the road of inflation with impunity. Inflation is a snare and a delusion. Intelligent leaders of men should know better than to guide their people into such a course, and noble leaders—true statesmen—would never do it.

There is an old, old proverb: "We have gold because we cannot trust governments." In modern history even with gold, we cannot trust governments. Now even a prominent officer of a New York commercial bank thinks we should remove the gold base entirely from our money and credit structure. Maybe it is just as well we do, and quit kidding ourselves.

It was once believed that, as in the proverb, gold disciplined those who governed—held governments within duly constituted limits understood by all. And our gold coin standard functioned that way, we believed; but it got in the path of the new order; indeed, was blamed for our troubles; and gold's discipline over us was greatly lessened by removing gold from circulation and greatly restricting convertibility. Since then the "money-doctors" have had their way, virtually unrestrained, until now conditions generated by their bad record threaten to take gold completely out of the picture and remove what little discipline remains.

*An address by Dr. Smith before the 6th annual senior executives' conference at Southern Methodist University, Dallas, Texas, Jan. 23, 1961.

Wings & Wheels Common Offered

Pursuant to a Feb. 14, 1961 prospectus, Globus, Inc., and Ross, Lyon & Co., Inc., both of New York City offered for public sale 85,000 shares of common stock (par 1 cent) of Wings & Wheels Express, Inc., at \$3 per share.

The company located at Astoria Blvd., and 110th St., Flushing, L. I., New York is engaged principally in the business of freight forwarding by air. Its principal offices are in New York City and Chicago and has facilities at eight major airports to, and from which, it provides air freight forwarding service.

The net proceeds, estimated at \$194,400, will be added to the general funds and used by the company for corporate purposes including an expansion of existing services, an enlargement of its sales force and modernization of present freight forwarding facilities. Capitalization consists of 1,000,000 common shares of which 400,450 will be outstanding upon completion of the offering.

Joins Fusz-Schmelzle

(Special to THE FINANCIAL CHRONICLE)

ST. LOUIS, Mo. — Mrs. Meta L. Thielker has joined the staff of Fusz-Schmelzle & Co., Inc., 522 Olive Street, members of the New York and Midwest Stock Exchanges. Mr. Thielker was formerly with Metropolitan Securities Corporation.

Photo Service Common Offered

Cruttenden, Podesta & Co. heads an underwriting group which offered on Feb. 15 162,500 shares of Photo Service, Inc. common stock of \$1 par value, at \$8 per share. Concurrent with this offering an additional 6,000 common shares of \$1 par value is being offered directly by the company to employees. Of the 162,500 shares 125,000 are being sold by the company and 37,500 shares by S. Lyall Briggs, President, Treasurer and director.

Proceeds from the sale will be used by the company as follows: \$250,000 for purchase and installation of new equipment for finish-

ing of Kodachrome film; \$125,000 for construction of a new plant addition; \$85,000 for payment of short-term debt; \$200,000 to be available for purchase of stock or assets of other photo finishing firms; and the balance for addition to the company's general funds.

Giving effect to the sale of the 131,000 company-offered shares, capitalization of the company will be \$93,359 of 6% first mortgage notes; \$96,666 of 4% notes payable to stockholders; \$78,167 sundry indebtedness; and 440,666 shares common stock, \$1 par value.

Principal business of Photo Service, Inc., an Illinois corporation, is the processing and printing of black and white and color photographic film. It is also engaged in the wholesale distribu-

tion of photographic film, cameras, accessories and supplies.

Coral Aggregates Common Offered

Pursuant to a Feb. 8, 1961 prospectus, Peter Morgan & Co., New York City, offered for public sale 100,000 shares of common stock (par 10 cents) of Coral Aggregates Corp., at \$4 per share.

Coral Aggregates Corp., of 7200 Coral Way, Miami, Fla., was organized in Florida on Aug. 7, 1959 to acquire and undertake the development and commercial exploitation of an estimated 8,640,000 ton rock deposit located on a 160-acre tract in Dade County, four miles west of Miami. The company

is at present inactive and its only assets are the 160-acre tract and a requirement contract.

The net proceeds, estimated at \$325,350, will be used to purchase equipment and for working capital to develop the crushed rock. Capitalization now consists of 1,500,000 shares of which 300,000 will be outstanding upon completion of the sale.

With Lee Higginson

Lee Higginson Corporation, 20 Broad St., New York City, members of the New York Stock Exchange and other principal stock exchanges, announces that Perry J. Lewis has become associated with the firm as a registered representative.

PRESIDENT'S REPORT

FROM NORTHERN STATES POWER COMPANY

Owned by 77,900 shareholders, and serving over 600 communities in Minnesota, No. Dakota, So. Dakota, and Wisconsin



Population increases in NSP's major service areas reflect industrial growth of Upper Midwest

The 1960 census shows that the population in the St. Paul-Minneapolis area (accounting for 57.5% of Northern States Power Company's gross revenue) rose 24.1% between 1950 and 1959...contrasted to the national increase of 18.4%.

Population increases in other key NSP headquarter cities ranged from 18.5% to 37.4%.

Significantly, counties serviced by NSP in our four-state area had an average increase of 14.5%. Counties not served by us had only a 10.5% increase.

The definite growth in urban population, we believe, reflects the growing industrialization of the Upper Midwest.

In 1939, for example, the total income from manufacturing exceeded agricultural income by only 200 million dollars in our Upper Midwest states, (Minnesota, Wisconsin, North Dakota, South Dakota).

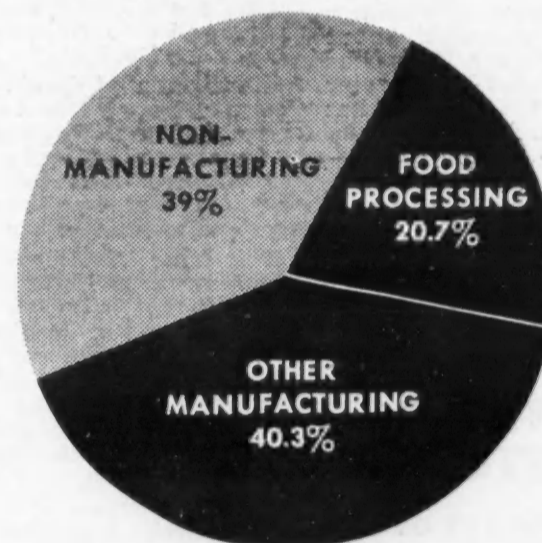
In 1958, receipts from industry exceeded receipts from agriculture by more than two billion dollars...a 10-fold increase, as shown below.



Farm income vs. Industrial income in Upper Midwest, 1939 and 1958

In the same period, the number of men and women employed in industry more than doubled—from 337,000 to 678,000.

Fortunately for NSP, this growth in industry is not limited to any one field. Among our larger customers are meat packers (Armour, Morrell, Swift); food processors (Pillsbury, General Mills); manufacturers such as Minnesota Mining, U.S. Rubber, Trane, Minneapolis-Honeywell, Remington Rand Univac, Whirlpool. The chart below shows the healthy diversification of our large light and power customers.



Revenues (by class) from large L&P customers

This balance of income from industry parallels the balance of all NSP's electric revenues: residential and rural 44.4%; small light and power 22.2%; large light and power 23.7%, other 9.7%.

We consider this diversification highly desirable since it gives NSP excellent market stability and helps protect against fluctuations of the economy.



President,
Northern States Power Company
Minneapolis 2, Minnesota

BANK AND INSURANCE STOCKS

BY LEO I. BURRINGTON

This Week — Bank Stocks

RAPID TRANSITIONS FOR WESTCHESTER COUNTY BANKS

Plans have been unfolding rapidly for bringing banking up to date in the New York City economic metropolitan region at least for one of the City's suburban areas—adjacent Westchester County. The City banks' interest in tapping deposit funds of the population it largely sustains in suburban areas is a logical one, indeed. Since July 1, 1960, when the New York State Omnibus Bill went into effect to permit, among other moves, bank holding company and suburban office expansion, several steps have been taken. Assuming all the announced plans for mergers, branch openings, and affiliations will be carried out, the 12 separate Westchester banks operating a year ago will be reduced to six.

The County Trust Co. The Bankers Trust-County Trust Co. merger proposal, yet to be approved by regulatory officials, provides for the setting up of a holding company, the New York Holding Corporation. For merger purposes only, two trust companies will be created temporarily to facilitate exchange of shares. In effect, Bankers Trust shareholders will receive one share of New York Holding Corp. stock for each share held, while County Trust shareholders will receive 86/100 of a share of New York Holding Corp. stock for each share of County Trust stock after payment of the declared 5% stock dividend. Plans were filed February 1 with New York State and Federal authorities. The New York State Banking Department has 90 days to either grant or reject the application filed. Combined deposits at the end of 1960 totaled more than \$3.5 billion. Operating earnings for both banks increased about 18% in 1960. County Trust has 40 offices throughout Westchester County. Bankers Trust Co. has 47 offices in New York City.

National Bank of Westchester. This month's announcement that First National City Bank of New York planned to acquire the National Bank of Westchester, followed the long courtship between First National City and County Trust Co. broken up by Bankers

Trust. Although National Bank of Westchester is less than one-half the size of County Trust, it is the County's second largest bank. During the last half of 1960, National Bank of Westchester acquired two other Westchester County banks, National Bank, Rye, N. Y. (July) and Mount Kisco National Bank & Trust Co. (December). In September, 1960, a tentative agreement to consolidate another Westchester bank, Gramatan National Bank & Trust Co., Bronxville, was announced. At the end of 1960, National Bank of Westchester had deposits of \$216 million while the overall deposits of First National City were \$7,771 million. The National Bank of Westchester operates 22 branches in Westchester County while First National City had 88 New York City offices at the end of 1960. Subject to approval, the merger will become effective through the exchange of one share of First National City stock for each two shares of the Westchester bank; the latter has 1,143,878 shares outstanding. First National City Bank already had obtained approval for a Westchester branch at Harrison, N. Y., prior to the merger announcement.

First Westchester National Bank. The consolidation of First Westchester National Bank and First National Bank and Trust Co. of Ossining, both Westchester County banks, will be voted on by shareholders on Feb. 21, 1961. The merger, under the name of First Westchester National Bank of New Rochelle, is scheduled to become effective March 3. First Westchester operates 13 offices. Year-end deposits for First Westchester alone totaled \$63.3 million and for 1960 earnings increased 23% over 1959.

First National Bank, Yonkers. This Westchester County bank operates 10 offices in Yonkers and at the end of 1960 had deposits of \$80.8 million. A recent 10% stock dividend increased shares outstanding to 484,000.

The other Westchester County banks are **First National Bank of Mount Vernon**, with year-end 1960 deposits of \$43.1 million; **Scarsdale National Bank and Trust Co.**, with deposits of \$32.3 million; and two smaller banks, **Northern Westchester National Bank**, Chappaqua, and **First National Bank**, North Tarrytown.

Industrial Bank of Commerce. Under special legislation, the Industrial Bank of Commerce, New York City, has operated a branch in Yonkers, Westchester County, for some time. The Industrial Bank of Commerce had year-end 1960 deposits of \$96.6 million and is controlled by Financial General Corp., a registered bank holding company which also controls several other banks in New York State.

Since 1950, the population of Westchester County has grown from 625,816 to 806,000, an increase of 28%. A recent study of the Metropolitan New York area estimates a steady population growth of 3½% a year resulting in a 90% increase from 1960 to 1985 for a population in excess of 1.5 million. Thus Westchester ranks high among the fastest growing counties in New York.

Other New York banks can be expected to extend their services to the County during the period ahead. Branches already have been approved for Chemical Bank New York Trust Co. and Chase Manhattan Bank. Up to the present time expansion into Long Is-

land's Nassau County is going forward at a slower pace, but an accelerated trend is expected.

Westminster Fund Stock Is Offered

Kidder, Peabody & Co. is dealer-manager of a group that is offering shares of Westminster Fund, Inc. capital stock in exchange for the shares of selected quality companies, particularly those with good growth potentials.

The fund has been organized to provide to investors owning large blocks of securities an opportunity to diversify their holdings without incurring federal capital gains tax liability on the exchange. By exchanging their securities for shares of the fund, investors will become participants in a securities portfolio which will have the benefits of diversification and experienced professional investment management.

The aggregate market value of one or more securities deposited by an investor must be at least \$25,000. The exchange will not be consummated unless securities having a market value of at least \$30,000,000 are deposited and accepted by the fund. The basis of the exchange will be one share of the fund for each \$12.50 of market value of securities received.

The investment objective of the fund is to seek possible long-term growth of capital and income. It is expected that the assets of the fund will be largely invested in quality common stocks of companies which are believed by the management to have good growth potentials, but there is no requirement that the fund invest in common stocks exclusively. The fund's charter permits investment in preferred stocks, corporate bonds and obligations of any government or instrumentality or the holding of cash.

Kleer-Vu Common Stock Marketed

Public offering of 115,000 shares of the common stock of Kleer-Vu Industries, Inc. was made on Feb. 14 at a price of \$3.50 per share by Paul Eisenberg Co. and Godfrey, Hamilton, Magnus & Co. Inc.

Kleer-Vu Industries, Inc., with headquarters in New York City, is primarily engaged in the manufacturing of acetate and polyester transparent accessories and other related items. The company's principal plants are located in Brownsville, Tennessee; Caguas, Puerto Rico, and Ardmore, Pa.

Net proceeds from the sale of the shares will be used by the company to retire a Small Business Administration loan. It also plans to purchase additional experimental and laboratory equipment, enlarge plant facilities and hire more engineers for the development of its present line of ultrasonic sealer machines; and to purchase additional machinery and equipment for the Brownsville and Puerto Rico plants. Balance of the funds will be added to working capital for possible expansion of product lines.

For the nine months ended Sept. 30, 1960, the company reported sales of \$1,848,066 and net income of \$72,087, equal to 34¢ per common share.

Taylor and Company Adds Three to Staff

(Special to THE FINANCIAL CHRONICLE)
BEVERLY HILLS, Calif.—Helen A. Kilgore, Willard J. Larsen and John H. Newby have become associated with Taylor & Company, 439 North Bedford Drive. All were formerly with Dempsey-Tegeler & Co.

AS WE SEE IT

Continued from page 1

were widespread. It would hardly be too much to say that large sections of the population were desperate and in that sense prepared for radical measures. It is true that Franklin Roosevelt had not been elected on a platform that even hinted at the revolutionary programs he soon was to champion, but most of these measures were new and had a certain appeal to a desperate population which for some years had been fed large doses of the socialistic philosophies of large sections of Europe and Asia. President Roosevelt had no need to arouse fear in the minds of the rank and file. He needed only to convince them that the strange and superficially alluring programs he was devising would cure them of the ills besetting them.

"Grave Dangers"

Today President Kennedy has felt it needful with the help of influential members of his party first to arouse the American people to "grave dangers" by which they are supposedly faced. Then and only then can he hope to convince them that certain remedies which for the most part are but bits and pieces of the New Deal redecorated and repolished will save them from disaster. It is a different and far more difficult task so far as getting popular support is concerned, and in consequence obtaining the cooperation of Congress. A reluctant Congress and a people who remain skeptical may in the end prove our salvation, of course, but (and possibly for that reason) it is well to take note of what is occurring.

In the first place, in order to lay a basis for the kind of legislation he was preparing, the President felt it necessary to "go off the deep end" as the vernacular goes in telling the American people about the horrible dangers they must face during the next few years. In his State of the Union Message, the President warned that "before my term has ended we shall have to test anew whether a nation organized and governed such as ours can endure. The outcome is by no means certain. The answers are by no means clear. All of us together—this Administration, this Congress, this nation—must forge these answers."

But Are These the Answers?

Now, of course, no one doubts that our future holds many and varied hazards and numerous pitfalls for the unwary. That such is the case has long been common knowledge. The same could have been said by any President taking office since the end of World War II. Whether all this really warrants the President's description of our dangers is, we suppose, a matter of opinion, but certain it is beyond any peradventure of doubt that such real hazards as we must face in the years ahead, whether within the term of President Kennedy or not, will not be removed by the remedies that this Administration has come forward with up to this time. The cold fact is that at least some of the problems confronting us today and foreseen for the future are direct consequences of the same type of programs he now proposes for their elimination.

In the effort to be a "doer" as someone has expressed it, the President is taking upon himself and his Administration responsibility for the cure of practically everything in the current state of our affairs which is regarded as undesirable or unsatisfactory. The state of the economy is not satisfactory, he tells us. Unemployment, and even the volume of production have not shown any great tendency, if any at all, to recover from what has been regarded as a mild recession. Equally disturbing is the fact that the "growth" trend (still quite undefined) has been far below what is believed by the President to be necessary. So the President sends suggestions to Congress for dealing with this situation—some of which have plainly little or nothing to do with the subjects in hand, while others are designed to stimulate growth in industries, such as housing construction, where there is evidence enough of danger of overproduction even as it is.

He finds, as we all have known for a good while past, that our international balance of payments is unfavorable with consequent loss of gold. A program for the rectification of this state of affairs is at once formulated and sent to Congress. The trouble is that the suggestions either have little promise of materially affecting the situation they are designed to cure, or else introduce arbitrary elements into the situation, when what is needed is to get at the real fundamentals which are more often than not in part at least a consequence of past intermeddling by Government. And so the story goes of an Administration which takes all things under its wings but has little or nothing of a really constructive sort to offer.

It remains to be seen what will be left of all these demands when Congress is through with them. We can only hope that more real understanding of our situation exists at that end of Pennsylvania Avenue.

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Indications of Current Business Activity

The following statistical tabulations cover production and other figures for the latest week or month available. Dates shown in first column are either for the week or month ended on that date, or, in cases of quotations, are as of that date:

AMERICAN IRON AND STEEL INSTITUTE:					Latest Week			Previous Week			Month Ago			Year Ago			Latest Month			Previous Month			Year Ago		
Indicated steel operations (per cent capacity).....					Feb. 19			52.0			51.0			50.5			93.8								
Equivalent to.....					Feb. 19			1,524,000			1,492,000			1,482,000			2,674,000								
Steel ingots and castings (net tons).....					Feb. 19			1,524,000			1,492,000			1,482,000			2,674,000								
AMERICAN PETROLEUM INSTITUTE:																									
Crude oil and condensate output—daily average (bbils. of 42 gallons each).....																									
Feb. 3 7,136,760 7,197,910 7,164,710 7,191,410																									
Crude runs to stills—daily average (bbils.).....																									
Feb. 3 8,297,000 8,401,000 8,167,000 7,072,000																									
Gasoline output (bbils.).....																									
Feb. 3 28,652,000 29,480,000 29,333,000 25,329,000																									
Kerosene output (bbils.).....																									
Feb. 3 2,990,000 3,113,000 3,351,000 2,330,000																									
Distillate fuel oil output (bbils.).....																									
Feb. 3 15,043,000 15,001,000 13,272,000 12,392,000																									
Residual fuel oil output (bbils.).....																									
Feb. 3 7,179,000 6,676,000 6,668,000 5,268,000																									
Stocks at refineries, bulk terminals, in transit, in pipe lines—																									
Finished and unfinished gasoline (bbils.) at.....																									
Feb. 3 214,349,000 209,954,000 199,777,000 206,418,000																									
Kerosene (bbils.) at.....																									
Feb. 3 25,989,000 28,375,000 30,714,000 24,288,000																									
Distillate fuel oil (bbils.) at.....																									
Feb. 3 106,682,000 115,571,000 133,975,000 121,521,000																									
Residual fuel oil (bbils.) at.....																									
Feb. 3 43,407,000 44,391,000 45,262,000 47,673,000																									
ASSOCIATION OF AMERICAN RAILROADS:																									
Revenue freight loaded (number of cars).....																									
Feb. 4 497,630 476,403 439,193 587,981																									
Revenue freight received from connections (no. of cars).....																									
Feb. 4 468,352 445,210 426,670 565,927																									
CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS-RECORD:																									
Total U. S. construction.....																									
Feb. 9 \$286,900,000 \$346,400,000 \$623,900,000 \$374,800,000																									
Private construction.....																									
Feb. 9 147,300,000 176,700,000 360,100,000 200,000,000																									
Public construction.....																									
Feb. 9 139,600,000 169,700,000 263,800,000 174,800,000																									
State and municipal.....																									
Feb. 9 124,600,000 148,100,000 177,100,000 147,800,000																									
Federal.....																									
Feb. 9 15,000,000 21,600,000 86,700,000 27,000,000																									
COAL OUTPUT (U. S. BUREAU OF MINES):																									
Bituminous coal and lignite (tons).....																									
Feb. 4 7,430,000 *7,025,000 6,830,000 8,470,000																									
Pennsylvania anthracite (tons).....																									
Feb. 4 437,000 419,000 369,000 383,000																									
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE = 100																									
Feb. 4 106 103 118 111																									
EDISON ELECTRIC INSTITUTE:																									
Electric output (in 000 kwh.).....																									
Feb. 11 14,744,000 15,072,000 14,684,000 14,178,000																									
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.																									
Feb. 9 376 368 335 317																									
IRON AGE COMPOSITE PRICES:																									
Finished steel (per lb.).....																									
Feb. 6 6.196c 6.196c 6.196c 6.196c																									
Pig iron (per gross ton).....																									
Feb. 6 \$66.44 \$66.44 \$66.44 \$66.41																									
Scrap steel (per gross ton).....																									
Feb. 6 \$32.50 \$31.83 \$31.17 \$40.58																									
METAL PRICES (E. & M. J. QUOTATIONS):																									
Electrolytic copper—																									
Domestic refinery at.....																									
Feb. 8 28.600c 28.600c 29.525c 33.175c																									
Export refinery at.....																									
Feb. 8 26.750c 26.500c 27.225c 32.675c																									
Lead (New York) at.....																									
Feb. 8 11.000c 11.000c 11.000c 12.000c																									
Lead (St. Louis) at.....																									
Feb. 8 10.800c 10.800c 10.800c 11.800c																									
Zinc (delivered) at.....																									
Feb. 8 12.000c 12.000c 12.500c 13.500c																									
Zinc (East St. Louis) at.....																									
Feb. 8 11.500c 11.500c 12.000c 13.000c																									
Aluminum (primary pig, 99.5%) at.....																									
Feb. 8 26.000c 26.000c 26.000c 26.000c																									
Straits tin (New York) at.....																									
Feb. 8 100.375c 100.250c 100.500c 100.750c																									
MOODY'S BOND PRICES DAILY AVERAGES:																									
U. S. Government Bonds.....																									
Feb. 14 88.44 88.69 86.69 83.40																									
Average corporate.....																									
Feb. 14 87.45 87.32 86.78 83.66																									
Aaa.....																									
Feb. 14 91.91 91.77 91.34 87.86																									
Aa.....																									
Feb. 14 90.20 89.92 89.09 85.98																									
A.....																									
Feb. 14 86.91 86.11 86.11 85.98																									
Baa.....																									
Feb. 14 81.29 81.29 81.05 78.09																									
Railroad Group.....																									
Feb. 14 84.43 84.55 84.04 81.54																									
Public Utilities Group.....																									
Feb. 14 88.54 88.40 87.86 83.66																									
Industrials Group.....																									
Feb. 14 89.51 89.09 88.40 85.85																									
MOODY'S BOND YIELD DAILY AVERAGES:																									
U. S. Government Bonds.....																									
Feb. 14 3.73 3.71 3.93 4.21																									
Average corporate.....																									
Feb. 14 4.60 4.61 4.65 4.89																									
Aaa.....																									
Feb. 14 4.28 4.29 4.32 4.57																									
Aa.....																									
Feb. 14 4.40 4.42 4.48 4.71																									
A.....																									
Feb. 14 4.64 4.64 4.70 4.92																									
Baa.....																									
Feb. 14 5.08 5.08 5.10 5.35																									
Railroad Group.....																									
Feb. 14 4.83 4.82 4.86 5.06																									
Public Utilities Group.....																									
Feb. 14 4.52 4.53 4.57 4.89																									
Industrials Group.....																									
Feb. 14 4.45 4.48 4.53 4.72																									
MOODY'S COMMODITY INDEX																									
Feb. 14 363.4 362.8 361.1 377.0																									
NATIONAL PAPERBOARD ASSOCIATION:																									
Orders received (tons).....																									
Feb. 4 333,754 302,344 207,300 352,417																									
Production (tons).....																									
Feb. 4 313,132 313,805 167,049 320,887																									
Percentage of activity.....																									
Feb. 4 90 90 77 96																									
Unfilled orders (tons) at end of period.....																									
Feb. 4 408,538 380,337 408,384 489,216																									
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE = 100																									
Feb. 10 110.72 110.66 109.70 111.48																									
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS																									
Transactions of specialists in stocks in which registered—																									
Total purchases.....																									
Jan. 20 3,068,030 3,107,590 2,768,130 2,077,600																									
Short Sales.....																									
Jan. 20 611,220 609,940 428,050 337,950																									
Other sales.....																									
Jan. 20 2,517,500 2,767,140 2,059,970 1,744,480																									
Total sales.....																									
Jan. 20 3,128,720 3,377,080 2,488,020 2,082,430																									
Other transactions initiated off the floor—																									
Total purchases.....																									
Jan. 20 399,280 437,000 470,340 314,530																									
Short Sales.....																									
Jan. 20 32,850 45,600 31,200 44,300																									
Other sales.....																									
Jan. 20 353,190 431,520 326,660 312,280																									
Total sales.....																									
Jan. 20 386,040 477,120 357,860 356,580																									
Other transactions initiated on the floor—																									
Total purchases.....																									
Jan. 20 990,905 983,460 951,513 685,350																									
Short Sales.....																									
Jan. 20 147,360 132,220 144,540 98,420																									
Other sales.....																									
Jan. 20 882,728 1,064,580 1,016,021 659,434																									
Total sales.....																									
Jan. 20 1,030,088 1,196,800 1,160,561 757,854																									
Total round-lot transactions for account of members—																									
Total purchases.....																									
Jan. 20 4,458,215 4,528,050 4,189,983 3,077,480																									
Short Sales.....																									
Jan. 20 791,430 787,760 603,790 480,670																									
Other sales.....																									
Jan. 20 3,753,418 4,263,240 3,402,651 2,716,174																									
Total sales.....																									
Jan. 20 4,544,848 5,051,000 4,006,441 3,196,864																									
STOCK TRANSACTIONS FOR ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON N. Y. STOCK EXCHANGE — SECURITIES EXCHANGE COMMISSION																									
Odd-lot sales by dealers (customers' purchases)—†																									
Number of shares.....																									
Jan. 20 2,089,945 2,409,760 1,618,289 1,973,226																									
Dollar value.....																									
Jan. 20 \$105,461,616 \$118,129,733 \$80,123,202 \$99,080,818																									
Odd-lot purchases by dealers (customers' sales)—																									
Number of orders—Customers' total sales.....																									
Jan. 20 2,041,772 2,160,538 1,980,023 1,430,227																									
Customers' short sales.....																									
Jan. 20 13,080 14,059 7,313 9,329																									
Customers' other sales.....																									
Jan. 20 2,028,692 2,146,479 1,972,710 1,420,898																									
Dollar value.....																									
Jan. 20 \$97,162,373 \$103,199,337 \$90,520,319 \$71,116,925																									
Round-lot sales by dealers—																									
Number of shares—Total sales.....																									
Jan. 20 591,660 587,830 715,430 305,700																									
Short Sales.....																									
Jan. 20 591,660 587,830 715,430 305,700																									
Other sales.....																									
Jan. 20 662,770 836,310 382,890 848,530																									
TOTAL ROUND-LOT STOCK SALES ON THE N. Y. STOCK EXCHANGE AND ROUND-LOT STOCK TRANSACTIONS FOR ACCOUNT OF MEMBERS (SHARES):																									
Total round-lot sales—																									
Short Sales.....																									
Jan. 20 977,840 1,066,960 735,780 570,610																									
Other sales.....																									
Jan. 20 20,771,530 22,149,040 18,748,160 14,059,640																									
Total sales.....																									
Jan. 20 21,749,370 23,216,000 19,483,940 14,630,250																									
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49 = 100):																									
Commodity Group.....																									
Feb. 7 120.0 120.0 119.9 119.2																									
All commodities.....																									
Feb. 7 90.7 90.5 89.9 87.0																									
Farm products.....																									
Feb. 7 109.8 109.7 109.8 105.5																									
Processed foods.....																									
Feb. 7 98.1 98.0 98.2 90.8																									
Meats.....																									
Feb. 7 128.2 *128.2 128.1 128.6																									
All commodities other than farm and foods.....																									
Feb. 7 128.2 *128.2 128.1 128.6																									
*Revised figure. †Number of orders not reported since introduction of Monthly Investment Plan. ‡Prime Western Zinc sold																									

ALUMINUM (BUREAU OF MINES):				Latest Month			Previous Month			Year Ago		
Production of primary aluminum in the U. S. (in short tons)—Month of October.....				167,015			162,882			144,449		
Stocks of aluminum (short tons) end of Oct.				248,440			225,874			131,124		
AMERICAN TRUCKING ASSOCIATION, INC.—												
Month of November:												
Inter-city general freight transport by 332 carriers (in tons).....												
				5,230,600			5,712,181			5,307,926		
BUSINESS INVENTORIES — DEPT. OF COMMERCE NEW SERIES—Month of December												
(Millions of dollars):												
Manufacturing.....												
				\$54,100			*\$54,200			\$52,900		
Wholesale.....												
				13,100			*13,600			12,600		
Retail.....												
				24,400			*26,400			23,400		
Total.....				\$91,600			*\$94,200			\$88,900		
COTTON AND LINTERS — DEPARTMENT OF COMMERCE—RUNNING SALES:												
Consumed month of December.....												
				696,137			620,753			758,917		
In consuming establishments as of Dec. 31.....												
				1,511,708			1,282,424			1,572,679		
In public storage as of Dec. 31.....												
				12,010,486			12,161,149			13,690,660		
Linters—Consumed month of December.....												
				107,738			92,948			130,800		
Stocks—Dec. 31.....												
				589,425			530,151			585,430		
Cotton spindles active as of Dec. 31.....												
				17,471,000			17,507,000			17,709,000		
DEPARTMENT STORE SALES SECOND FEDERAL RESERVE DISTRICT FEDERAL RESERVE BANK OF NEW YORK—1947-49												
Average—100—Month of December:												
Sales (average monthly), unadjusted.....												
				250			163			249		
Sales (average daily), unadjusted.....												
				246			167			245		
Sales (average daily), seasonally adjusted.....												
				135			131			135		
EDISON ELECTRIC INSTITUTE—												
Kilowatt-hour sales of ultimate consumers—												
Month of November (000's omitted).....												
				54,200,509			55,166,180			51,602,651		
Revenue from ultimate customers—Month of November.....												
				\$927,294,000			\$942,011,000			\$881,475,000		
Number of ultimate customers at Nov. 30.....												
				58,425,675			58,407,280			57,420,590		
MANUFACTURERS' INVENTORIES & SALES												
Month of December (millions of dollars):												
Inventories—												
Durable.....												
				\$31,000			*\$31,200			\$30,300		
Non-durable.....												
				23,200			*23,000			22,600		
Total.....				\$54,100			\$54,200			\$52,900		
Sales.....				28,900			*29,700			30,600		
METAL OUTPUT (BUREAU OF MINES)—												
Month of November:												
Mine production of recoverable metals in the United States—												
Gold (in fine ounces).....												
				156,460			*163,393			102,800		
Silver (in fine ounces).....												
				2,276,735			*2,271,277			1,917,902		
Copper (in short tons).....												
				91,238			*93,622			25,895		
Lead (in short tons).....												
				18,071			*18,137			20,924		
Zinc (in short tons).....												
				27,948			*28,201			34,183		
MOODY'S WEIGHTED AVERAGE YIELD—100												
COMMON STOCKS—Month of January:												
Industrials (125).....												
				3.23			3.43			3.39		
Railroads (25).....												
				5.17			5.61			5.19		
Utilities (not incl. Amer. Tel. & Tel.) (24).....												
				5.40			3.57			4.13		
Banks (15).....												
				3.78			3.92			3.68		
Insurance (10).....												
				2.51			2.76			2.86		
Average (200).....												
				3.28			3.49			3.50		
PRICES RECEIVED BY FARMERS — INDEX NUMBER — U. S. DEPT. OF AGRICULTURE—1910-1914 = 100 — As of Dec. 15:												
All farm products.....												
				242			241			230		
Crops.....												
				217			218			218		
Commercial vegetables, fresh.....												
				220			217			262		
Cotton.....												
				243			254			234		
Feed, grain and hay.....												
				141			136			149		
Food grains.....												
				204			204			206		
Fruit.....												
				248			261			198		
Oil-bearing crops.....												
				181			181			174		
Potatoes.....												
				520			502			494		
Tobacco.....												
				263			261			240		
Livestock.....												
				278			281			273		
Dairy products.....												
				296			289			268		
Meat animals.....												
				178			180			148		
Poultry and fish.....												
				226			219			234		
REAL ESTATE FINANCING IN NONFARM AREAS OF U. S. — HOME LOAN BANK BOARD—Month of Nov. (000's omitted):												
Savings and loan associations.....												
				\$978,126			\$1,052,511			\$952,599		
Insurance companies.....												
				97,120			105,861			136,839		
Banks and trust companies.....												
				362,770			371,560			408,868		
Mutual savings banks.....												
				143,268			146,475			152,483		
Individuals.....												
				305,902			328,578			313,846		
Miscellaneous lending institutions.....												
				490,494			520,161			477,843		
Total.....				\$2,377,680			\$2,525,146			\$2,442,478		
SELECTED INCOME ITEMS OF U. S. CLASS I RYS. (Interstate												

The Outlook for Business And the Stock Market

Continued from page 3

and equipment expenditures of American industry increased about \$3½ billion to \$36 billion, although they were about \$1 billion below our estimate of a year ago.

Some of the less favorable factors include the following: Unemployment increased somewhat on average, and this trend was more marked the latter part of the year. There was a sizable outflow of gold. The steel industry was disappointing. New housing starts were about 1,250,000, down about 9% from the 1,378,000 of 1959. New orders have been declining.

The above clearly indicates that the overall economic picture was mixed, but that on an overall basis it was a quite satisfactory picture indeed, subject to disappointment in certain of the sectors, including corporation profits.

Blames Inventories

What is the basic, underlying explanation for the downward trend in physical terms, as measured by the Federal Reserve Board Index of Industrial Production? Without doubt, the answer lies in the inventory picture. However, a mere comparison of year-end dollar figures is quite misleading. Thus, at the end of 1960, total inventories were \$92½ billion, up only roughly \$3 billion from the 1959 year-end. However, a breakdown on a quarterly basis to show the change in inventory by quarters is most illuminating. It indicates the following:

Quarter	Inventories
First	+\$11 billion
Second	+\$5 billion
Third	unchanged
Fourth	-\$4 billion

These figures are at annual rates and show a decline in inventories between the first and fourth quarters of \$15 billion. This shift is of major magnitude and fully explains the economic decline. Thus, *Fortune*, in its survey in the January, 1961, issue, stated that the shift in inventories, by itself, was sufficient to reduce the Federal Reserve Board Index by 10 points. (Actually, the Federal Reserve Board Index last month was down only about four from its early year high.) Final consumption has been moving up throughout 1960 on an overall basis. Thus, Professor Fred Weston of UCLA has estimated that for the year final demand was up approximately \$15 or \$16 billion from 1959. In this context, it is interesting to note that consumption expenditures by individuals increased from about \$314 billion to about \$329 billion in 1960.

It must be recognized that inventories still are not low; but, on the other hand, they do not appear to be unduly high in relation to anticipated levels of demand. The liquidation appears to have flattened out and in the last reported month was down only about \$100 million. It would appear that the inventory readjustment is quite near completion if final demand holds up—and we think that it will, based on the fundamentals of the demand picture.

With this in mind, let us analyze the components of demand. Our overall conclusions can be seen by noting that it would appear that Gross National Product will approximate \$508 billion in 1961, compared with \$503 billion in 1960 and \$482 billion in 1959. There are four major components that enter into this, namely, (1) consumption expenditures, (2) gross private domestic investment, (3) net exports of goods and serv-

ices, and (4) government purchases of goods and services.

Consumption Spending

(1) With regard to consumption expenditures, it is believed that consumer purchases of semi-durable goods may be a bit disappointing in 1961, continuing the trend that obtained for the latter part of 1960. On the other hand, consumption of soft goods is likely to show further moderate gains, just as occurred in 1960. Of outstanding importance—and this is a factor to be reckoned with in the evaluation of steel production and some of the other production indexes in terms of their overall significance in the economic picture—the role of services in the economy has been steadily increasing, and this tends to diminish the importance of certain production figures such as steel and similar indices. Demand for services should continue its upward trend in 1961.

Private Investment

(2) The second major component is gross private domestic investment. It is believed that this will show a decrease during the current year to perhaps roughly \$65 billion, compared with about \$73 billion in 1960 and \$72 billion in 1959. In part this will reflect a decrease in expenditures for producers' durable equipment, which may drop to perhaps \$26½ billion—about \$2½ billion below last year. The better-known figure of corporate expenditures for plant and equipment is likely to decline by perhaps \$3 billion to around \$33 billion, compared with about \$36 billion for 1960. On the score of housing starts—it is believed that these will show improvement to about 1,325,000 new units, compared with about 1,250,000 units in 1960, which was considerably below the 1959 figure. The housing picture will be helped some by easy money, but in and of itself this is not sufficient to provide a major stimulus. The economics of the situation show that new family formations in the next few years may be of moderate proportions, after which a large jump is anticipated, reflecting the big increase in the birth rate in the early 1940s. The other component of gross private domestic investment, namely, inventories, has already been discussed. We have pointed out that the sharp inventory reduction in the fourth quarter of 1960 is not likely to find reversal in the immediate future but that it does appear to be approaching a bottom. It should be kept in mind on this score that there are no important upward price pressures at this time, which serves as a stimulus to purchasing agents to make long, forward commitments on inventories. In addition thereto, automation and better control of inventory facilitates the carrying of lower stocks in relation to any given level of sales.

Net Exports

(3) The third major component is net exports of goods and services. Our forecast of a year ago that there would be a sharp increase in the net export balance did materialize, and in the year just ended it is estimated that exports exceeded imports by better than \$2½ billion, compared with a \$1 billion unfavorable balance in 1959. Consideration of imports and exports brings to mind the currently much-publicized problem relative to the outflow of gold. In the past year we have lost \$1.6 billion of gold, and at the present time gold stocks—which now approximate \$17½ billion—are around the lowest level in many years. It should be em-

phasized that this is not attributable to the normal reason, namely, an unfavorable trade balance. There are four other elements that enter into this: (1) Travel—Our tourist business abroad is much greater than the incoming tourist business, with the result of expenditures on balance of dollars of about \$1 billion. (2) American industry, for competitive and other reasons, has been establishing new industries abroad on a large scale. This contributes to the outflow of funds. (3) Foreign aid—This is the largest single component. Our aid programs, economic and military, run well in excess of \$3 billion. (4) The flight of foreign funds from the United States—This is attributable to the higher interest rates abroad than is the case here. Comment: There is no easy solution to this. So long as our wage rates continue to go up in excess of productivity, we are adversely affecting our world competitive situation. This element also contributes to the corporate trend of establishing plants abroad.

Basically, we are not in a position to impose tariff barriers, inasmuch as from a political and world viewpoint, this would induce a chain of circumstances that would be extremely adverse. Rather, we must improve our competitive position. We must gain import-export markets and in that context induce foreign countries to reduce their barriers to American products. Thirdly, Germany, England, France, Italy, and Japan, our major allies, whose economic position has been greatly furthered by our aid, must carry an increasing share of the world burden, particularly in relation to the newly-developed countries. Lastly, while we must continue foreign aid, we have to be sure that we get dollar value for every dollar that is spent. We also must take steps to encourage incoming tourist business.

Government Spending

(4) The fourth component that enters into Gross National Product is government purchases of goods and services. It seems quite clear that the Federal Government will increase its expenditures in this sector by at least \$3 billion to roughly \$55½ billion. This falls into two general categories, namely, defense spending on the one hand and domestic social programs on the other. Without doubt, the military budget is going up and will continue to increase. (An estimate of \$1-\$1½ billion would appear reasonable.) In addition thereto, the Kennedy Administration is very likely to press for a great many social measures which, in part, can be expected to be enacted into legislation. This includes such things as aid to education, aid to depressed areas, urban renewal, stimulus to housing, etc. It seems clear that in the coming fiscal year that, instead of the budgetary surplus that has been forecast, there will be a deficit. The magnitude of this cannot yet be forecast, and in part it will be dependent on business activity and its pickup as a stimulus to the government's tax take from corporations and from individuals. On the score of corporate taxes, it would appear, as is pointed out later, that earnings of corporations in the current year are not likely to show significant change. We do think that individual incomes will be higher, and this will contribute to higher revenues. However, the increase in revenues will be more than offset by the increased expenses.

In addition to Federal Government expenditures, it is to be recognized that states and municipalities have greatly increased their outlays for goods and services. For some years these have been jumping at the rate of about \$3 billion a year. Similarly, in 1961 it is believed that these expenditures will be in the area of

\$51 billion compared with \$47½ billion in 1960 and \$44 billion in 1959.

A little additional comment on some of these components may well be in order. We are quite optimistic relative to consumer expenditures. As already pointed out, in the past year retail sales were up only very slightly in relation to 1959. The increase in no wise fully reflected the increase in personal income and in disposable income of individuals, which measure ability to buy. Rather, it reflects the cautionary viewpoint on the economy that has been so pervasive and, reflecting that, consumers' expenditures have been lower than normal in relation to income, and consumers' savings were up quite substantially to about \$26 billion. A related factor has been that consumer debt has been moving higher in relation to disposable income, and this tended to militate against further debt incurrence. However, this trend has started to reverse itself, and it does appear likely that unless the economy slides more than is anticipated, there will be a greater percentage expended by the consumer and that the rate of savings is apt to decline moderately.

Unemployment Problem

The unemployment figures have been stressed by everyone, and, as is known, last month showed 4.3 million unemployed. On the other hand, there is a lack of adequate consideration of the number of people employed. This is at a peak or close to a peak of close to 67 million. Thus, the unemployment rate is about 6.3%, which, while admittedly higher than is desirable, is not too terribly much above the normal frictional unemployment figure of about 4%. Of further import is the fact that most of the unemployment reflects failure to absorb additional people in the work force. Over the past three years, about 560,000 persons annually have been added to the work force. This is below the annual average of 694,000 persons in the prior decade. This is not to be passed over lightly, but still is not nearly so pessimistic a factor as would have been the case if existing workers were discharged. Further, most of the unemployment has been in the unskilled areas. A glance at the daily paper shows widespread advertisements in all the major areas of the country—the West Coast, the Middle West area, and the New York area—advertising for skilled workers. This certainly points up the educational job that should be done with regard to vocational training, among other things.

With regard to plant and equipment expenditures—the current McGraw-Hill survey shows an estimated decline of 3%. However, there is a time lag involved, and it is believed that with current earnings not shaping up too well, this decline may be in the magnitude of 5% or 6% or more. In part, this reflects the large capacity of American industry, and in part the projection reflects the profit picture. On the other hand, the demands of modernization and of requirements in connection with new and developing technologies cannot be overlooked. American research is running at the rate of \$10-\$12 billion a year, and this, of course, has resulted in the development of entirely new industries and markets; and this trend is likely to continue.

Of further import in this area—and this bears not only on capital expenditures but on the stock market and will be discussed later—is the current cash flow of American industry. This has been going up steadily, and at the present time, the depreciation cash throw-off is estimated at around \$23 billion. The "cash flow" of American corporations has been moving up steadily.

Mid-1961 Upward Trend

By way of general conclusion—it is believed that the current recessionary tendencies, while they may continue the downward drift for another three to six months, will not take the economy down to materially lower levels. The second half of 1961 will see an upward trend. As already pointed out, both for political and economic reasons, there is every basis for believing that the Kennedy Administration will greatly step up its expenditures. We pointed out above several areas in which this would take place, such as aid to education, depressed areas, housing, urban renewal, etc. There also will be a big step-up in highway expenditures. However, it should be stressed that it will take time for the economy to feel the impact of this. Over the interim period, some of the big existing production industries may show a downward drift, or, in any event, little significant improvement. The key people in the steel industry feel that any material pick-up in steel demand is likely to be deferred until March or April and that total demand for the year will be slightly below last year. However, last year's figures reflected the very high level of production in the first quarter of the year. The auto industry had an extremely good year last year, but it should be kept in mind that a good part of the production has been reflected in inventory. Thus, recent inventories of about 1 million units are about 300,000 units too high. This will affect employment and rates of production in the auto industry over the near-term future.

Money Market Picture

Our prior predictions regarding a moderate easing in interest rates have materialized. We continue to feel that rates will work slightly lower and thus bond prices a bit higher. However, the outflow of gold and the competition of higher interest rates abroad will tend to modify the pre-election statements of leading Democrats relative to the advisability of materially lower interest rates.

Special attention is again directed to municipal bonds, currently selling to afford very favorable yields, ranging from better than 3¼% on longer-term prime bonds to better than 4% on many sound medium-grade municipal issues. Some of the Kennedy advisors have gone on record as favoring the elimination of tax exemption on future issues of municipal bonds. In our opinion, the possibility of legislation along these lines is remote. It will be recalled that under the Roosevelt Administration similar feelers were made, but unsuccessfully. However, this could become a significant market factor from a supply-demand viewpoint, and the impact thereof would be to increase prices and reduce yields on outstanding municipals.

The Stock Market

As was pointed out above, our forecast of January 1960 adduced a relatively-cautious viewpoint relative to the market. The market underwent considerable decline from the Jan. 5, 1960 high of around 686 on the Dow-Jones Industrials. A low of around 565 was reached the end of September and again at the end of October 1960. (Our September 1960 report expressed a distinctly optimistic viewpoint.) It is our considered opinion that in 1961 the market will not cross the 1960 high; but, on the other hand, the lows of last fall will not be violated. It would appear that for most of the year the market will fluctuate within a broad trading range, bounded by perhaps 650-660 on the upside and perhaps 590-600 on the downside.

It would appear probable that

the low for 1961 will be seen sometime prior to mid-year. The market at the present time is quite optimistic and appears to be discounting better business ahead. If this should materialize (and the odds appear to favor it), an upward trend is likely to be witnessed the second half of the year. However, on any of the qualitative valuation criteria, the market currently, from a short-term viewpoint, appears quite fully priced. It would be our guess that the market might well sustain a moderate reaction in the course of the next 60 days. We would regard this as a buying opportunity.

A summary of the relevant factors includes the following:

(1) The price-earnings ratio is quite high at present, close to 20 times estimated earnings.

(2) Corporate earnings have been disappointing of late; and while moderate improvement may take place later this year, the interim earnings reports to be released in the months ahead are likely to be quite disappointing. It will be noted that corporate profits for the year just ended were around \$23 billion or slightly below the \$23½ billion a year ago. Our projection for the current year is in the same general area.

(3) Cash flow — As indicated above, the depreciation cash throw-off should be about \$23 billion, or approximately equivalent to reported earnings. Thus, the total cash generation of American business will be quite favorable, and this will tend to militate against major market decline. Similarly, the financial position of American corporations has been improving.

(4) Dividends — We see little change in dividends and feel that they will be approximately the same in 1961 as in 1960.

(5) Bond-stock ratio — The relationship between bond yields and stock yields is still adverse to stocks. However, the recent rise in bond prices has tended to lower bond yields somewhat. Thus the bond-stock ratio, while still adverse, is considerably less so than was the case some months back.

(6) Psychological factors — There are two elements that could have an important impact on the market, and they work in opposite directions. First are the uncertainties engendered by the advent of the new administration. In the event the Kennedy Administration wholeheartedly plays the "labor game," it will tend to be adverse to market psychology. The market almost certainly will face efforts (and possibly—regrettably—successful efforts) by the administration to remove the \$50 dividend exemption and the 4% credit on dividends. On the other hand, it is believed that on an overall basis the Kennedy Administration will prove somewhat disappointing to some of the so-called "liberals" in Congress — and thus that there will not be too much market unsettlement from this quarter (this may be wishful thinking).

On the other hand, there will certainly be an increase in inflationary psychology. There is no question but what the "social programs" under contemplation will involve tremendous outlays. It would appear that this cannot be financed out of the government's revenues, and thus it will mean deficit financing. The price level will move up at a more rapid rate than was the case under the Eisenhower Administration. Thus, there will be an increase in "inflation-hedge" buying.

(7) Supply and demand factors also must be considered in the market equation, as well as the so-called fundamental factors. There has been a rapid growth in institutional funds, and there is increasing acceptance of equities as a long-term avenue for investment. When one considers the growth in trust account investments in equities, the huge development of mutual funds, invest-

ment clubs, profit-sharing and pension funds, etc., it readily can be seen that the long-term demand for stocks is likely to increase.

Conclusions

(1) Common stocks merit retention on a long-term basis.

(2) Selectivity will continue to be of the utmost importance.

(3) The short-term market risks are probably greater than they have been at any time in recent months.

(4) In general, portfolios should have a good defensive position through municipal bonds, public utility common stocks, etc.

(5) The increased demand for stocks plus inflation-hedge buying, plus the long-term growth aspects of the economy stemming from research and technological developments, the rapid population increase that is anticipated, and other factors presage a continued long-term uptrend in the market subject to intermediate reactions from time to time.

Favored Industry Groups

For investors desiring reasonable long-term growth and at the same time defensive characteristics, we continue to recommend good electric utilities. The issues suggested a year ago, such as Houston Light, Pacific Gas, Southern California Edison, Tampa Electric, etc., have turned in highly favorable performances. Continued growth is anticipated.

Over the past year the market has increasingly verified the change in character of American Telephone & Telegraph, which we had suggested. Despite the rather sharp rise, the issue continues to be attractive in the defensive category.

The retail group referred to last year, particularly with reference to Federated Department Stores and Spiegel, has proven highly advantageous in the face of an unsatisfactory general market. We continue to feel that the soft goods sector of the economy will do relatively much better than appliances and consumer semi-durables. We continue to feel friendly to the recreation stocks, and such issues suggested last year as American Machine & Foundry and Brunswick have turned in an outstanding performance. They still merit retention on a long-term basis, and in selected cases attention can be given to their convertible bonds.

We continue to favorably evaluate the long-term outlook for bank stocks. While earnings over the intermediate term may be slightly lower, reflecting the easier trend of interest rates, the long-term outlook points to continued growth in bank earnings assets, better cost control through automation, etc.

Selected stocks of the gas industry are attractive. Peoples Gas, referred to last year, has done extremely well, and further growth is anticipated. El Paso Natural Gas and Tennessee Gas appear to afford good value in the gas transmission group.

The rails show definite signs of turning for the better. Market prices have not reflected the change in government philosophy which now favors major mergers. Some of the issues in this group are highly attractive for liberal income and for moderate price appreciation over the next year or so. This would include such issues as Great Northern Railway, Northern Pacific, New York Central and St. Louis, Illinois Central, and Norfolk & Western, among others.

In the last analysis, investment results this year will be successful, particularly in relation to proper selectivity. Utilization of issues in the groups referred to above should prove advantageous.

*Resume of a talk by Mr. Weiss before the annual meeting of the Teachers Association Mutual Fund of California, Inc., Jan. 17, 1961.

Stock Market Margins Must Be Brought Up to Date

Continued from page 14

left to read between the lines as best they can.

What Can Be Done?

All of this, it seems to me, suggests that the mechanism for regulating stock market credit can be improved. And this can be done, I would stress again, not by scrapping our system of controls, but by making it more effective.

How can we do this? I should like to make four proposals which I believe, can go a long way towards achieving major improvements.

My first proposal has to do with the key question of how we can best regulate margins without unnecessarily hampering the essential liquidity of the market. And here I draw on a pathbreaking analysis of securities credit recently completed by Drs. Jules I. Bogen and Herman E. Krooss of the Graduate School of Business Administration of New York University. What they have found is that when the Federal Reserve Board limited margin increases to say 10 points — as happened in 1955 and 1958 — these gradual hikes proved just as effective as large changes of 20 and 25 points. At the same time, as Drs. Bogen and Krooss discovered, these smaller changes did not have the adverse impact on the volume of trading that large changes did.

Hence our first objective should be to draw on the Federal Reserve Board's past experience by making future margin adjustments more gradual. But this is not all. For we can also make those smaller margin changes more effective than they are now. Until fairly recently, a rise in initial margins mainly affected new margin accounts. The buying power in most old margin accounts, however, was unaffected by any increases. But in June, 1959, the Federal Reserve began to apply margin changes to all margin accounts—not simply to new borrowers. This policy of spreading credit restraint more equitably among more people should be viewed as a standard procedure in the future. Such a policy, when coupled with more modest changes in the over-all margin rate, holds the promise of relieving the unfavorable effects we have experienced in the past.

My second proposal is an outgrowth of the first. It is that we recognize that credit in the market responds primarily to general credit controls. This is a powerful argument for setting initial margins at a normal rate of 50%—and keeping them there unless circumstances unequivocally indicate a change is necessary. I urge this not only because liquidity will be improved, but for another very compelling reason; as Drs. Bogen and Krooss point out, one chief result of high margins is the search for new evasive tactics. These, in turn, spawn the need for new controls to stop them. Surely the simple means of reducing the temptation to find new evasions is the more effective approach.

My third and fourth proposals concern the sensitive problems of periodically adjusting margins, when necessary, and of interpreting these changes for the public. And here, I turn to statistical studies undertaken by the Exchange's Research Department—studies which have recently culminated in the development of a promising new statistical tool for use in credit control.

I cannot, of course, describe the full statistical analysis now. But the core of it is that definite long-term relationships have been found between stock market credit and total bank loans. These patterns have been observed against other changes which have

taken place in the economy. They make it possible, under current conditions, to conclude that so long as the total amount of customer credit remains within a ratio of 5¼ to 5¾% of all bank loans, then no margin adjustments are statistically indicated. But as soon as security loans begin to depart from this norm, or as soon as their yearly rate of growth mounts above a well-defined trend of 5.4% a year, we can objectively defend the propriety of a 10% point rise in margin levels. And, of course, this statistical indicator works as well going down as going up.

Needless to say, I do not anticipate that such statistical gauges will ever be mechanically applied. In a free economy, nothing can ever replace the judgment factor. But these new yardsticks can be of important help in arriving at critical decisions. And they have the added advantage, when objectively applied, of easing the heavy psychological burden that now rests on the shoulders of our credit authorities.

My final proposal is concerned not with the techniques of credit control, but rather with the problem of public awareness. I would like to see the veil of mystery removed from margin adjustments. When the Federal Reserve Board does move margins, for example, I would like to see a statement accompany the bare facts of the change — a statement which would tell the investing public why the change was made. Our new statistical indicators might well be useful in clarifying these decisions. Another means of bringing light to this subject would be the formation of a Securities Industry Credit Advisory Committee, composed of leading members of the financial community. Such a group, meeting at stated six-month intervals with the Federal Reserve Board, would not only indicate publicly that credit conditions in the market were subject to regular review, but could serve as a very necessary avenue of communication between the public, the industry and the controlling authorities. There is ample precedent for forming such a committee.

The Need for Action

I hope there will be agreement that this is a sensible agenda for action. But now I would like to add a pinch — in fact, a strong flavor—or urgency to what I have said. In their pioneering study, Drs. Bogen and Krooss sound an important warning. They point out that we have been fortunate in the first 15 years in applying our insensitive margin controls during a period when market conditions were basically very strong. What is far from certain, they warn, is the effect of those crude controls on the liquidity of the market during a period of more stable commodity prices and slower economic growth. I am certainly not predicting that our growth curve will in fact level out. I doubt that it will. But it is certainly unnecessary to risk aggravating a possible slow-up just because we are too indifferent to do the necessary repair work in advance.

Let me recapitulate the basic problem as I see it.

First, I think we must recognize that stock market credit is a small but very valuable part of our basic credit structure. We must learn to place it in perspective in the credit picture—to understand its usefulness for the individual and for the economy.

Second, we must rethink our position about controlling market credit. Effective controls are unquestionably necessary. But margins are only part of the answer—and they are far less important

than the nation's over-all general credit policies.

Third, a quarter century's experience with margin controls has taught us a great deal about what they can and cannot do. Our task, therefore, is not to do away with them, but to make them as effective and free of side-effects as possible.

This means, fourth, that we must modernize our approach to margin regulation. We can do this by setting the normal rate at 50% . . . by using new statistical guides to help determine when adjustments are necessary . . . by moderating those adjustments when they are made . . . and by communicating to the public the reasons behind the Federal Reserve Board's decisions. All these approaches, plus the formation of a new Securities Industry Credit Advisory Committee — can make the control of market credit more equitable, more efficient and more conducive to a healthy capital market.

For in conclusion let me remind you of a theme which has run through my remarks: it is the central importance of a sound securities market—one that helps serve as a conduit for new funds, and that acts as a repository for the savings of millions of Americans.

The market's problems are, unavoidably, a reflection of the nation's economic problems — and often world problems as well. That is why, leaning again on Clemenceau's thought, I want to see these matters made not merely the province of our economists. Indeed, the problems are too important for that. They must become, in democratic fashion, the object of intelligent concern among the widest possible public.

*An address by Mr. Funston before the Annual Meeting of the Toledo Chamber of Commerce, Toledo, Ohio.

Super Market Stock Offered

A public offering of 200,000 common shares of Super Market Distributors, Inc., is being made at \$5 a share by a syndicate managed by Clayton Securities Corp. All of the shares are being purchased by the underwriters from certain stockholders. No part of the proceeds will be received by the company.

Super Market Distributors, Inc., was organized in Massachusetts on June 22, 1950. The company is a wholesale distributor to supermarkets of non-food consumer items of merchandise consisting of housewares and hardware, hair care preparations, and other specialty items for the home. It has just started in the toy field and is working on plans for installation of sewing notions and soft goods. The company currently services departments in approximately 1,650 stores, representing approximately 320 accounts, both chains and independents.

For the year ended Sept. 30, 1960, Super Market Distributors, Inc., and affiliated companies reported combined sales of \$9,194,012 and net income equal to 50¢ per share. The company's outstanding capitalization consists solely of 520,000 shares of common stock.

Smith, Moore Co. To Admit Partners

ST. LOUIS, Mo.—Smith, Moore & Co., 509 Olive Street members of the New York and Midwest Stock Exchanges, on March 1 will admit to general partnership, Alfred Lee Shapleigh II and Norman W. Halls. Mr. Halls will cease to be a limited partner in the firm.

80 Years in America And a Long Look Ahead

Continued from page 15

mands for still more goods. Expansion feeds on itself. And as we are producing new goods, we are also producing new customers to buy them at the rate of 11,000 new babies per day (or four million per year)—and more people means more business.

And look at the new products that are constantly coming on the market and the new jobs being created to make and sell them—onion and dacton, vitamins and wonder drugs, synthetic rubber and electric batteries charged by the sun—to say nothing of plastics, electronics, aeronautics, missiles and many other great fields of industry which are hardly yet scratched on the surface. And then look back and consider that 40% of all the products on the market today were never even heard of 50 years ago—(when I was young). General Electric now hires over 45,000 new people making products which didn't exist 13 years ago—and over 80% of R.C.A.'s more than a billion dollars a year business, is in products that didn't exist even 12 years ago—(when you were young).

Looking ahead, we can see ever-enlarging production over what we have today. Where will it all come from?—From Labor and Capital and Brains, with ever-improving cooperation between all three of them. Close cooperation is imperative because these three production forces are dependent one upon the other. Labor can't get anywhere without Capital and Brains—and Capital can't get anywhere without Brains and Labor. They are "all bound round with a woolen string," whether they like it or not. It is all very well for Labor or Capital to deny the power of Brains and attribute all progress to itself—but did either ever stop to think that we can now telephone from Saginaw to San Francisco not because of Labor, and not because of Capital—but because of the Brains of Alexander Bell.

These politicians who rant and rave against our big men and our big corporations with their mass-producing machinery always fail to tell you that they do increase jobs and hold down prices. How much higher would the cost of living be today without them? Sixty years ago there were only 29 million jobs in the United States and today there are over 67 million. The typewriter temporarily threw a lot of penmen out of work, but it now makes jobs for hundreds of thousands of stenographers. Forty years ago (before dial telephones had ever been heard of), the Bell System had 269,000 employees—and today it has over 740,000. Livery stables used to employ 100,000 men, but automobiles (which put them out of business), now make jobs for over four million. In 1940 General Motors employed 258,000 people and 20 years later is now employing over 551,000.

All these facts give promise of a great economic future for America. But don't forget that Capital also plays a "star" part in this dramatic story because it takes about \$18,000 of somebody's actual money investment in plant and equipment for every worker's job. We have more capital investment now than ever before—and with it all more products, more jobs and higher wages.

Don't let your spirits rise and fall with the economic tides. Time and time again has our country been seemingly ruined by Depressions—but it has a 100% record of marching straight through every Depression to new record

peaks of Prosperity—and America today stands foremost among all of the nations of the earth in the promise of future growth and development.

And so, another important lesson I have learned is — "Never Sell America Short."

Defending Our Dollar

And now, to consider some of our "great problems" of today, I would say that our greatest problem is the *Defense of the Dollar* which is now down to about 42 cents). Even the Communists work on the theory that the quickest way to ruin a country is to destroy its currency—and Russia is working on ours right now. The quickest and surest road to ruin is *Inflation*—and it is sad to recall that our own Government started our inflation when it took us off the Gold Standard in 1933 and started its spending spree. Never since has our dollar been as good as gold—and it never will be until we re-establish "Stable Currency" and quit spending more than we take in. Depression can hurt many of us, but Inflation can ruin all of us—including the Government. Never before has our dollar been worth so little as it is today—and never before has our country's debt been so large—\$290 billion—larger in fact than the debts of all of the other nations of the earth put together.

Do you know that since World War II, our country has poured out \$74 billion in foreign aid? And do you know that the United States and Britain (victors in the war) now have the *weakest* currencies, while Germany and Japan (defeated in the war) now have the *strongest* currencies? Does that make sense to you? In other words, the currencies of the nations which were *defeated* and which we generously helped, are now *stronger* and in higher repute than our money which did the helping. Here is something for you young men to start working on—and the place to start is in Washington. If we ever needed sound management in Government—it is *now*. The era of hand-outs must end.

The Democratic party boasts of Thomas Jefferson as its inspiration. And what was his philosophy of Government? Let Jefferson answer that in his own words: "I place economy among the first and most important virtues, and public debt as the greatest of dangers." The Republican party boasts of Abraham Lincoln as its inspiration. And what was his philosophy of Government? We all know that Lincoln's full life was built on thrift, hard work and honesty.

And so we see that these modern Liberals, these extravagant spenders are certainly not Jeffersonian Democrats and certainly not Lincoln Republicans—and yet they are demoralizing both parties and threatening the stability of America.

We know that the true welfare of our people rests on Economic grounds and not on Santa Claus Politics. The Government has no money except the taxes it takes from the people—and the people have no money except what they earn through industry. When business prospers, everybody prospers; any law that hurts business, hurts everybody; and the best friend of the people is not the Politician, nor the Government—but the Businessmen of America, large and small, in every city and village and town, whose success or failure casts a profound influence upon every job, every school, every family and every home in the whole United States. Strangle business and you

strangle everybody, including the Government.

It is *Free Enterprise* that builds our cities, erects our factories and our schools and our churches, furnishes our jobs, passes prosperity around, and keeps a nation healthy and strong.

Business Morals Have Improved

One more thought. I am glad to be able to say that the moral standards of American Business have greatly improved during the past 80 years and are rising higher year by year. In fact, the history of American Business is but the history of the growth of high ideals, of men's confidence in one another, until today over 90% of all our country's billions of dollars of business per year is done, not by the exchange of money, but by the exchange of little pieces of paper on which honest Businessmen sign their names. "This (as Bruce Barton says) is the magnificent edifice of American Business—a 'Temple of Trust.'" And the wonderful thing about it all is that you and I and every Businessman, large or small, in every town in every state in the Union, has a chance to make this "Temple of Trust" a little stronger and nobler by his living—or, if he chooses, a little weaker and more insecure. Our young men of today as they become our business leaders of tomorrow will find it a little easier to trust each other—or a little harder—by your conduct and mine.

And so, as loyal Americans who love our country and want to pass on its blessings to the generations yet to come, let us dedicate our best efforts to forever preserve for America, *Free Enterprise* for our people and Efficiency, Economy, and Morality for our Government. Thus, will our good "Ship of State" sail proudly on—in good times and in bad times—safely and surely—to ever-enlarging *Strength and Freedom and Progress*.

*An address by Mr. Shorts before the Saginaw Chapter of the National Accountants' Association, Saginaw, Mich.

Patrician Paper Common Marketed

Public offering of 190,000 shares of common stock of Patrician Paper Co. Inc. is being made today (Feb. 16) by a group headed by Hill, Darlington & Grimm and J. R. Williston & Beane. The stock is being offered as a speculation at a price of \$6.

Net proceeds from the sale, together with monies from the sale of other common stock and from borrowings, will be used substantially for the acquisition, remodeling and improvement of land and buildings; acquisition and installation of machinery and equipment; engineering fees; acquisition of pulp inventory; start-up costs; repayment of loans; interest on indebtedness, and provision for engineering and installation contingencies. Balance of the proceeds will be added to the general funds of the company and used for other corporate purposes.

Patrician Paper Co. was incorporated on Sept. 22, 1960 for the purpose of manufacturing and selling facial tissues and facial-type toilet tissues. The company has already contracted to acquire plant facilities in South Glen Falls, N. Y. Executive offices are located in New York City.

Upon completion of the present financing, outstanding capitalization, adjusted to reflect the sale of an additional 30,000 shares of common, acquisitions necessary to commence operations, and a bank loan, will consist of: \$200,000 mortgage; \$850,000 equipment loan; \$300,000 bank loan, and 336,666 common shares.

STATE OF TRADE AND INDUSTRY

Continued from page 5

January 13, compared with 269.47 a week earlier and 273.28 on the corresponding date a year ago.

There was an appreciable decline in wheat prices this week, reflecting primarily a dip in domestic buying and sluggish mill demand; export buying of wheat was sustained at a high level. A marked dip in rye prices occurred as trading was slow and rye flour sales were light.

Corn prices weakened somewhat as supplies were ample for only fair trading. Volume in oats sagged holding prices moderately below a week earlier. In contrast, prices on soybeans finished slightly higher than a week earlier, as both domestic and export purchases moved up.

Although both domestic and export purchases were steady, flour prices were down fractionally from a week earlier; sizable shipments of flour were sold to Ceylon and in the near future more flour is expected to be sold to Vietnam.

There was the usual pre-Lenten upsurge in domestic purchases of rice this week and supplies in many markets were reduced; this helped prices match those of a week earlier. Rice exporters reported good sales to Europe, Africa and the Near East, and good business is expected to be made in the near future with India, Indonesia, Pakistan, Israel and Turkey.

Sugar trading slackened during the week and prices finished somewhat on the down side. In contrast, coffee prices edged up as volume improved. There was another slight dip in cocoa prices during the week, reflecting a moderate decline in trading.

Purchases of steers dipped from a week earlier, supplies were steady, and prices finished moderately below the prior week. Trading in lambs lagged and prices were down appreciably. In contrast, hog prices were fractionally higher than the preceding week on moderately active trading.

Prices on the New York Cotton Exchange finished the week moderately on the up side. The New York Cotton Exchange Service Bureau estimated that cotton exports in the week ended last Tuesday amounted to about 137,000 bales, compared with 190,000 a week earlier and 99,000 in the similar week a year ago. Exports for the current season through Feb. 7 came to about 3,482,000 bales, compared with 3,308,000 in the corresponding period last year.

Wholesale Food Price Index Shows Second Decline in a Row

For the second consecutive time, the Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., declined fractionally this

week. On Feb. 7, it stood at \$6.11, down 0.5% from the week earlier \$6.14, but it was up 5.9% from the \$5.77 of the corresponding date a year ago. The current level is the lowest so far this year.

Up in wholesale cost this week were flour, corn, rye, barley, lard, sugar, milk, cottonseed oil, eggs, potatoes and lamb. Down in price were wheat, hams, cheese, cocoa, prunes and steers.

The Dun & Bradstreet, Inc. Wholesale Food Price Index represents the sum total of the price per pound of 31 raw foodstuffs and meats in general use. It is not a cost-of-living index. Its chief function is to show the general trend of food prices at the wholesale level.

Another Snowstorm Holds Retail Trade Below Year Ago

More snow in the mid-West and Northeast cut sharply into retail trade in the week ended last Wednesday, and the total dollar volume was noticeably below last year. Suffering most were major appliances, floor coverings, draperies, new and used passenger cars, and housewares. Year-to-year dips were less noticeable in apparel, linens, and furniture. Another reason for the over-all decline was continued increases in unemployment in many areas.

The total dollar volume of retail trade in the week ended last Wednesday was 6% to 10% below a year ago, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from the comparable 1960 levels by the following percentages: New England—16 to —20; Middle Atlantic—12 to —16; East North Central—7 to —11; South Atlantic—4 to —8; West North Central—3 to —7; West South Central—2 to —6; East South Central, Mountain, and Pacific Coast +2 to —2.

Nationwide Department Store Sales Down 5% From 1960 Week

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index for the week ended Feb. 4, 1961, showed a decrease of 5% below like period last year. For the week ended Jan. 28 a decrease of 7% was reported. For the four weeks ended Jan. 28, 1961 a 2% loss was reported. The year 1960 over 1959 showed a 4% decrease.

According to the Federal Reserve System, department store sales in New York City for the week ended Feb. 4 showed a 16% decrease over the same period last year. In the preceding week ended Jan. 28 sales showed a decrease of 10% from the same week in 1960. For the four weeks ended Jan. 28 a 7% decrease was reported below the 1959 period, and for the year 1960 over year 1959 there was a loss of 8%.

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NOTE—Because of the large number of issues awaiting processing by the SEC, it is becoming increasingly difficult to predict offering dates with a high degree of accuracy. The dates shown in the index and in the accompanying detailed items reflect the expectations of the underwriter but are not, in general, to be considered as firm offering dates.

Accesso Corp.

Jan. 30, 1961 filed 40,000 shares of common stock and 47,000 shares of preferred stock (par \$10) to be offered for public sale in units consisting of one share of common and one share of preferred stock. **Price**—\$15 per unit. **Business**—The company is engaged in the design, manufacture and sale of fluorescent lighting systems, acoustical tile hangers, metal tiles and other types of acoustical ceiling systems. **Proceeds**—For the repayment of loans and general corporate purposes. **Office**—3425 Bagley Avenue, Seattle, Wash. **Underwriter**—Ralph B. Leonard & Sons, Inc., New York City (managing).

Acme Missiles & Construction Corp.

Jan. 6, 1961 filed 30,000 outstanding shares of class A common stock. **Price**—To be supplied by amendment. **Business**—The construction and installation of missile launching platforms. **Proceeds**—To selling stockholders. **Office**—43 North Village Avenue, Rockville Centre, N. Y. **Underwriter**—None. **Offering**—Expected in late February.

ACK Electronics Corp.

Sept. 28, 1960 filed 100,000 shares of common stock, 75,000 series I common stock purchase warrants, and 75,000 series II common stock purchase warrants, to be offered in units, each unit to consist of two common shares, one series I 5-year purchase warrant, and one 5-year series II warrant. Warrants are exercisable initially at \$2 per share. **Price**—To be supplied by amendment. **Proceeds**—For salaries of additional personnel, liquidation of debt, research, and the balance for working capital. **Office**—551 W. 22nd Street, New York City. **Underwriter**—Robert Edelstein Co., Inc., New York City. **Offering**—Expected in late March.

A-Drive Auto Leasing System Inc. (3/6-10)

Jan. 19, 1961 filed 100,000 shares of class A stock, of which 75,000 are to be offered for public sale by the company and 25,000 shares, being outstanding stock, by the present holders thereof. **Price**—\$10 per share. **Business**—The company is engaged in the business of leasing automobiles and trucks for periods of over one year. **Proceeds**—To repay loans; open new offices in Philadelphia, Pa., and New Haven, Conn.; lease and equip a large garage in New York City and lease additional trucks. **Office**—1616 Northern Boulevard, Manhasset, N. Y. **Underwriter**—Hill, Darlington & Grimm, New York City (managing).

Advanced Investment Management Corp.

Jan. 13, 1961 filed 500,000 shares of common stock. **Price**—\$3.50 per share. **Business**—The company was organized in October, 1960 to operate an insurance home office service and management company with the related secondary purpose of owning investments in entities engaged in the insurance business. **Proceeds**—The company will use the proceeds estimated at \$851,895 as a reserve for the acquisition of interests in life insurance; for furniture and fixtures; for the establishment of a sales organization and for working capital. **Office**—The Rector Building, Little Rock, Ark. **Underwriter**—Advanced Underwriters, Inc., Little Rock, Ark.

Aerosol Techniques, Inc. (2/20)

Dec. 28, 1960 filed 125,000 shares of common stock. **Price**—\$4 per share. **Business**—The company manufactures and packages cosmetic, household, industrial, pharmaceutical, medicinal, dental and veterinary aerosol products for other concerns for sale by them under their own brand names. **Proceeds**—For working capital. **Office**—111 Stillman Ave., Bridgeport, Conn. **Underwriter**—Michael G. Kletz & Co., Inc., New York City (managing).

Air Metal Industries, Inc.

Jan. 27, 1961 (letter of notification) 75,000 shares of common stock (par 10 cents) of which 12,500 shares are to be offered to stockholders, 12,500 shares to the underwriters and the balance to the company. **Price**—\$4 per share. **Business**—The firm makes and sells steel metal duct utilized in heating systems. **Proceeds**—To increase inventory, for research and development and working capital. **Office**—Miami Beach Federal Bldg., Miami Beach, Fla. **Underwriter**—Vickers, Christy & Co., Inc., New York, N. Y.

Air-X Industries, Inc.

Jan. 31, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—\$3 per share. **Proceeds**—For purchase of machinery and equipment and for furniture and fixtures and leasehold improvements, including electrical plumbing and heating work. **Office**—1210 Randall Avenue, Bronx, N. Y. **Underwriter**—Lewis Wolf Associates, New York, N. Y.

Alabama Power Co. (3/23)

Feb. 13, 1961 this subsidiary of the Southern Co., filed \$13,000,000 of first mortgage bonds due 1991 and 80,000 shares of cumulative preferred stock (par \$100). **Proceeds**—For expansion. **Office**—600 North 18th St., Birmingham 2, Ala. **Underwriters**—To be deter-

mined by competitive bidding. Previous bidders on bonds included Blyth & Co., Inc., and Kidder, Peabody & Co. (jointly); Morgan Stanley & Co.; First Boston Corp.; Eastman Dillon, Union Securities & Co.; Equitable Securities Corp. and Drexel & Co. (jointly); Lehman Brothers; Halsey, Stuart & Co. Inc. **Bids**—Expected at 11 a.m. (EST) on March 23.

Alaska Creamery Products, Inc.

Dec. 19, 1960 (letter of notification) 130,000 shares of common stock (par \$1). **Price**—\$2.25 per share. **Proceeds**—To purchase equipment, and other necessary materials for distribution of dairy products. **Address**—Anchorage, Alaska. **Underwriter**—Paul Nichols Co., Inc., Anchorage, Alaska.

Albee Homes, Inc. (3/6-10)

Jan. 24, 1961 filed 172,500 shares of common stock. **Price**—To be supplied by amendment. **Business**—The sale of pre-cut packaged home building materials. **Proceeds**—To be used by the company's wholly-owned subsidiary to finance future credit sales. **Office**—931 Summit St., Niles, O. **Underwriter**—G. H. Walker & Co., New York City (managing).

All American Engineering Co.

Sept. 27, 1960 filed 85,918 shares of common stock (par 10 cents), to be offered to holders of the outstanding common of record Nov. 22 on the basis of one new share for each four shares held. **Price**—To be supplied by amendment. **Business**—The firm is engaged primarily, under government-sponsored contracts, in research, development, and manufacturing activities related to the aircraft, satellite, and missile fields. **Proceeds**—For general corporate purposes. **Office**—Du Pont Airport, Wilmington, Del. **Underwriter**—Drexel & Co., Philadelphia, Pa. (Managing). **Note**—This filing was withdrawn Feb. 9.

Allen & Steen Acceptance Co.

Jan. 17, 1961 (letter of notification) \$200,000 of 6% sinking fund debentures, 1975 series to be offered in denominations of \$1,000 and \$500 each. **Price**—At face value. **Proceeds**—For working capital. **Office**—28 S. 8th St., Terre Haute, Ind. **Underwriter**—City Securities Corp., Indianapolis, Ind.

Altamil Corp.

Nov. 30, 1960 filed 251,716 outstanding shares of common stock. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of large machined structural components and stainless steel sandwich panels for use in military and commercial aircraft and missiles. **Proceeds**—To selling stockholders. **Office**—225 Oregon St., El Segundo, Calif. **Underwriter**—None. **Note**—This filing was withdrawn Feb. 10.

America-Israel Phosphate Co.

Dec. 23, 1960 filed 125,000 shares of common stock, each share of which carries two warrants to purchase two additional common shares in the next issue of shares, at a discount of 25% from the offering price. **Price**—\$4 per share. **Business**—The prospecting and exploration for phosphate mineral resources in Israel. **Proceeds**—For general business purposes. **Office**—82 Beaver Street, New York City. **Underwriter**—Casper Rogers Co., New York City (managing).

American Educational Life Insurance Co.

Dec. 5, 1960 filed 960,000 shares of class A common voting stock (par \$1) and 240,000 shares of class B non-voting common stock to be sold in units, each unit to consist of 4 shares of class A stock and one share of class B stock. **Price**—\$25 per unit. **Business**—The writing of life insurance and allied lines of insurance. **Proceeds**—For capital and surplus. **Office**—Third National Bank Bldg., Nashville, Tenn. **Underwriter**—Standard American Securities, Inc., Nashville, Tenn.

American Machine & Foundry Co. (2/28)

Jan. 17, 1961 filed \$40,500,000 of convertible subordinated debentures, to be offered to common stockholders on the basis of one \$100 debenture for each 20 shares of common held of record Feb. 28. Rights expire March 16. **Price**—To be supplied by amendment. **Proceeds**—To reduce short-term loans and furnish additional working capital for domestic and foreign expansion. **Office**—261 Madison Avenue, New York 16, N. Y. **Underwriter**—Eastman Dillon, Union Securities & Co., New York City (managing).

American Molded Fiberglass Co. (2/27-3/3)

Dec. 27, 1960 (letter of notification) 37,043 shares of common stock (par 40 cents). **Price**—\$4 per share. **Business**—Manufacturers of fiberglass swimming pools, canoes and small trailer bodies and other custom molded fiberglass products. **Proceeds**—For general corporate purposes. **Office**—40 Lane St., Paterson, N. J. **Underwriter**—Vestal Securities Corp., New York, N. Y.

American Mortgage Investment Corp.

April 29 filed \$1,800,000 of 4% 20-year collateral trust bonds and 1,566,000 shares of class A non-voting common stock. It is proposed that these securities will be offered for public sale in units (2,000) known as Investment Certificates, each representing \$900 of bonds and 783 shares of stock. **Price**—\$1,800 per unit. **Proceeds**—To be used principally to originate mortgage loans and carry them until market conditions are favorable for disposition. **Office**—210 Center St., Little Rock, Ark. **Underwriter**—Amico, Inc.

American & St. Lawrence Seaway Land Co., Inc. (2/20-24)

Dec. 30, 1960 (letter of notification) 100,000 shares of common stock (par 25 cents). **Price**—\$3 per share. **Pro-**

NEW ISSUE CALENDAR

February 17 (Friday)	
Palomar Mortgage Corp.	Debentures (J. A. Hogle & Co.) \$1,100,000
February 20 (Monday)	
Aerosol Techniques, Inc.	Common (Michael G. Kletz & Co., Inc.) \$500,000
American & St. Lawrence Seaway Land Co., Inc.	Common (No underwriting) \$300,000
Atlantic Fund for Investment in U. S. Government Securities, Inc.	Common (Capital Counsellors) \$50,000,000
Chemical Contour Corp.	Capital (D. A. Lomasney & Co.) \$300,000
Falls Plaza Limited Partnership	Units (Hodgdon & Co., Inc. and Investor Service Securities, Inc.) \$480,000
Geochron Laboratories, Inc.	Common (Globus, Inc. and Ross, Lyon & Co.) 150,000 shares
Golden Crest Records, Inc.	Common (Dean Samitas & Co., Inc. and Valley Forge Securities Co., Inc.) \$255,000
Ilikon Corp.	Common (Myron A. Lomasney & Co.) \$375,000
Management Assistance Inc.	Common (Federman, Stonehill & Co.) \$300,000
Model Finance Service, Inc.	Debentures (Paul C. Kimball & Co.) \$1,000,000
Model Finance Service, Inc.	Preferred (Paul C. Kimball & Co.) 100,000 shares
Mortgage Guaranty Insurance Corp.	Common (Bache & Co.) 155,000 shares
Rajac Self-Service, Inc.	Common (James Co.) \$463,125
Shepherd Electronic Industries, Inc.	Preferred (D. Klapper Associates, Inc.) \$156,000
Telephone & Electronics Corp.	Common (Equity Securities Co.) \$264,900
Tensor Electric Development Co., Inc.	Common (Dresner Co., Michael & Co. and Satnick & Co., Inc.) \$300,000
Toledo Plaza Investment Trust	Ben. Trust Cdfs. (Hodgdon & Co., Inc.) \$522,500
Whippary Paper Board Co., Inc.	Common (Van Alstyne, Noel & Co.) 250,000 shares
Wollard Aircraft Service Equipment, Inc.	Com. (Amos Treat & Co., Inc.) \$540,000
February 21 (Tuesday)	
Automobile Banking Corp.	Units (Reynolds & Co., Inc. and Crutenden, Podesta & Co.) \$2,000,000
Chicago, Milwaukee, St. Paul & Pacific RR.	Equip. Trust Cdfs. (Bids noon CST) \$5,850,000
Jouet, Inc.	Common (Edward H. Stern & Co.) \$300,000
Shore-Calnevar, Inc.	Common (H. Hentz & Co. and Federman, Stonehill & Co.) 200,000 shares
Tri-Continental Corp.	Debentures (Eastman Dillon, Union Securities & Co.) \$20,000,000
February 23 (Thursday)	
American Telephone & Telegraph Co.	Common (No underwriting) 11,225,000 shares
Berkey Photo Service, Inc.	Common (Paine, Webber, Jackson & Curtis) 360,000 shares
Grayway Precision, Inc.	Common (Harrison & Co. and Marron, Sloss & Co. Inc.) \$300,000
Kurz & Root Co.	Common (Milwaukee Co.) \$299,250
Simplex Wire & Cable Co.	Capital (Paine, Webber, Jackson & Curtis) 118,000 shares
Wometco Enterprises, Inc.	Stock (Lee Higginson Corp. and A. C. Allyn & Co., Inc.) 100,000 shares
February 27 (Monday)	
American Molded Fiberglass Co.	Common (Vestal Securities Corp.) \$148,172
Automation Laboratories, Inc.	Common (Sandkuhl & Co.) \$266,800
Bowling & Construction Corp.	Common (Arnold Malkin & Co., Inc.) \$600,000
Canaveral International Corp.	Common (Robert A. Martin Associates) 300,000 shares
Colorite Plastics, Inc.	Common (P. W. Brooks & Co., Inc.) 100,000 shares
Colorite Plastics, Inc.	Bonds (P. W. Brooks & Co., Inc.) \$900,000
Dixie Natural Gas Corp.	Common (Vestal Securities Corp.) \$300,000
Eastern Bowling Corp.	Class A (Schirmer, Atherton & Co.) 150,000 shares
Greenfield Real Estate Investment Trust	Ben. Int. (Drexel & Co.) 500,000 shares
Gulf Guaranty Land & Title Co.	Units (Street & Co.) \$1,500,000
Invesco Collateral Corp.	Units (No underwriting) \$777,300
Jonker Business Machines, Inc.	Units (Hodgdon & Co., Inc.) 50,000 units
Leaseway Transportation Corp.	Common (Hayden, Stone & Co.) 150,000 shares
Mercury Electronics Corp.	Common (S. Schramm & Co. Inc.) \$300,000
Milo Electronics Corp.	Common (Myron A. Lomasney & Co.) \$750,000
Mohawk Insurance Co.	Common (R. P. Dowd & Co., Inc.) \$900,000
Palm Developers Limited	Common (David Barnes & Co., Inc.) \$300,000
Radar Measurements Corp.	Common (Blaha & Co., Inc.) \$299,950
Rixon Electronics, Inc.	Capital (Auchincloss, Parker & Redpath) 115,000 shares
Solite Products Corp.	Units (William, David & Mottl, Inc.) \$225,000

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Standard & Shell Homes Corp.	Units
(Aetna Securities Corp.; D. Gleich Co. and Roman & Johnson) \$612,500	
Swiss Chalet, Inc.	Units
(P. W. Brooks & Co., Inc. and Compania Financiera de Inversiones, Inc.) \$1,150,000	
Techmation Corp.	Common
(First Philadelphia Corp.) \$175,000	
Torque Controls Corp.	Common
(Russell & Saxe, Inc.) \$225,000	
United Boatbuilders, Inc.	Common
(Birr & Co., Inc. and Marron, Sloss & Co., Inc.) 100,000 shares	
U. S. Mfg. & Galvanizing Corp.	Common
(Armstrong Corp.) \$300,000	

February 28 (Tuesday)

Fund of America, Inc.	Common
(Ladenburg, Thalmann & Co. and Minis & Co., Inc.) \$5,000,000	
Great Northern Ry.	Equip. Trust Cdfs.
(Bids noon EST) \$5,100,000	

March 1 (Wednesday)

Circle Controls Corp.	Common
(Rodetsky, Kleinschler, Walker & Co.; L. C. Wegard & Co. and L. D. Sherman & Co.) \$285,000	
Hydro-Electronics Corp.	Common
(Lloyd Securities) \$300,000	
International Diode Corp.	Preferred
(T. M. Kirsch Co.) \$336,000	
Minitone Electronics, Inc.	Common
(No underwriting) \$555,000	
Search Investments Corp.	Common
(No underwriting) \$1,000,000	
Storer Broadcasting Co.	Common
(Reynolds & Co., Inc.) 263,000 shares	

March 6 (Monday)

A-Drive Auto Leasing System, Inc.	Class A
(Hill, Darlington & Grimm) \$1,000,000	
Albee Homes, Inc.	Common
(G. H. Walker & Co.) 172,500 shares	
Citizens & Southern Capital Corp.	Common
(The Johnson, Lane, Space Corp.; Courts & Co. and Robinson-Humphrey Co., Inc.) \$1,650,000	
Eastern Can Co., Inc.	Class A Stock
(Milton D. Blauner & Co., Inc.) \$1,400,000	
Gold Medal Packing Corp.	Preferred
(Capital Investment Co.) \$400,000	

Jefferson Lake Asbestos Corp.	Units
(A. G. Edwards & Sons) \$3,500,000	
Lake Arrowhead Development Co.	Common
(Van Alstyne, Noel & Co. and Sutro & Co.) \$3,000,000	
Random House, Inc.	Common
(Allen & Co.) 121,870 shares	
Renwell Electronics Corp. of Delaware	Common
(William David & Mott, Inc.) \$400,000	
Roblin-Seaway Industries, Inc.	Class A
(Brand, Grumet & Seigel, Inc.) \$480,000	
Sealand, Inc.	Common
(Robinet & Co., Inc.) \$300,000	
Wyle Laboratories	Common
(Kidder, Peabody & Co. and Mitchum, Jones & Templeton) 110,000 shares	

March 7 (Tuesday)

Louisville & Nashville RR.	Equip. Trust Cdfs.
(Bids noon EST) \$7,735,000	

March 8 (Wednesday)

Marley Co.	Common
(White, Weld & Co., Inc.) 100,596 shares	

March 10 (Friday)

Sunset Color Laboratories, Inc.	Common
(Jacey Securities Co.) \$180,000	

March 13 (Monday)

Bristol Dynamics, Inc.	Common
(William, David & Mott, Inc.) \$700,000	

March 15 (Wednesday)

Dodge Wire Corp.	Common
(Plymouth Securities Corp.) \$600,000	
Jensen Industries	Common
(Maltz, Greenwald & Co. and Thomas, Jay Winston & Co.) 75,000 shares	
Ram Electronics, Inc.	Common
(Plymouth Securities Corp.) \$300,000	
Rego Insulated Wire Corp.	Common
(Russell & Saxe, Inc.) \$900,000	

March 20 (Monday)

Thermogas Co.	Common
(A. C. Allyn & Co.) 100,000 shares	

March 21 (Tuesday)

Southern Bell Telephone & Telegraph Co.	Debent.
(Bids to be received) \$70,000,000	

March 22 (Wednesday)

Southwestern Public Service Co.	Bonds
(Dillon, Read & Co.) \$15,000,000	
Southwestern Public Service Co.	Preferred
(Dillon, Read & Co.) 120,000 shares	

March 23 (Thursday)

Alabama Power Co.	Preferred
(Bids 11 a.m. EST) \$8,000,000	
Alabama Power Co.	Bonds
(Bids 11 a.m. EST) \$13,000,000	

March 27 (Monday)

Mansfield Industries, Inc.	Common
(McDonnell & Co., Inc.) 150,000 shares	

April 4 (Tuesday)

Southern California Edison Co.	Bonds
(Bids 8:30 a.m. PST) \$30,000,000	

April 20 (Thursday)

Orange & Rockland Utilities, Inc.	Bonds
(Bids to be received) \$12,000,000	

May 25 (Thursday)

New Orleans Public Service, Inc.	Bonds
(Bids to be received) \$15,000,000	

June 13 (Tuesday)

Virginia Electric & Power Co.	Bonds
(Bids 11 a.m. EST) \$30,000,000 to \$35,000,000	

June 15 (Thursday)

Southern Electric Generating Co.	Bonds
(Bids 11 a.m. EST) \$27,000,000	

September 28 (Thursday)

Mississippi Power Co.	Bonds
(Bids to be received) \$5,000,000	
Mississippi Power Co.	Preferred
(Bids to be received) \$3,000,000	

October 18 (Wednesday)

Georgia Power Co.	Bonds
(Bids to be received) \$15,500,000	
Georgia Power Co.	Preferred
(Bids to be received) \$8,000,000	

December 7 (Thursday)

Gulf Power Co.	Bonds
(Bids to be received) \$3,000,000	

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ceeds—For general corporate purposes. Office—60 E. 42nd Street, New York 17, N. Y. Underwriter—None.

American Telephone & Telegraph Co. (2/23)

Jan. 27, 1961 filed 11,225,000 shares of capital stock to be offered for subscription by stockholders on the basis of one new share for each 20 shares held of record Feb. 23, with rights to expire April 14. Price—\$86 per share. Proceeds—For advances to subsidiaries, for the purchase of stock offered for subscription by such companies, for expansion of its own facilities and for general corporate purposes. Office—195 Broadway, New York City. Underwriter—None.

Apco Oil Corp.

Jan. 13, 1961 filed \$10,102,100 of subordinated debentures, due April 1, 1981 and 505,105 shares of common stock to be offered for subscription by holders of class A and class B stock of Union Texas Natural Gas Corp., in units consisting of one \$100 debenture and five common shares on the basis of one unit for each 70 shares of class A and/or class B stock of Union Texas. Price—To be supplied by amendment. Business—The company was organized under Delaware law on Aug. 15, 1960 and later entered into an agreement with Union Texas and others to purchase the properties of Anderson-Prichard Oil Corp., for a total of \$25,200,000 plus its share of Anderson-Prichard liabilities. Proceeds—The company will use the proceeds, together with \$12,000,000 to be borrowed from banks, to purchase the business and properties of Anderson-Prichard. Office—811 Rusk Avenue, Houston, Texas. Underwriters—Carl M. Loeb, Rhoades & Co., and Smith, Barney & Co., both of New York City. Offering—Expected sometime in March.

Associated Traffic Clubs Insurance Corp.

Dec. 5, 1960, filed 250,000 shares of common stock (par 80c), to be sold to the Associated Traffic Clubs of America and their members. Price—\$2 per share. Business—Provides insurance coverage to the members of the above club. Proceeds—To be added to surplus to maintain it at the amount required by law and to carry on and further develop the business of the company. Office—900 Market St., Wilmington, Del. Underwriter—A. T. Brod & Co., New York, N. Y. Offering—Expected in February.

Atlantic City Electric Co.

Feb. 10, 1961 filed \$10,000,000 of first mortgage bonds due 1991. Proceeds—For the repayment of notes and for construction. Office—1600 Pacific Ave., Atlantic City, N. J. Underwriters—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co.; American Securities Corp.; and Wood, Struthers & Co. (jointly); White, Weld & Co. and Shields & Co. (jointly); First Boston Corp. and Drexel & Co. (jointly); Eastman Dillon, Union Securities & Co. and Smith, Barney & Co. (jointly); Lee Higginson Corp.; Blyth & Co., Inc.

Atlantic Fund for Investment in U. S. Government Securities, Inc. (2/20-24)

July 22, 1960, filed 2,000,000 shares of common stock. Price—\$25 per share. Business—A diversified investment company, which will become an open-end company with redeemable shares upon the sale and issuance of

the shares being registered. Proceeds—For investment in U. S. Government securities. Office—50 Broad Street, New York City. Underwriter—Capital Counsellors, 50 Broad Street, New York City. Note—This company was formerly the Irving Fund for Investment in U. S. Government Securities, Inc.

Automatic Canteen Co. of America

Feb. 7, 1961 filed 127,725 outstanding common shares. Price—To be supplied by amendment. Business—The development, manufacture, sale, lease and servicing of vending machines. Proceeds—To the selling stockholders. Office—Merchandise Mart Plaza, Chicago, Ill. Underwriter—None.

Automation Development, Inc.

Jan. 27, 1961 (letter of notification) 40,000 shares of common stock (par 5 cents). Price—\$3.75 per share. Proceeds—For further development of the "Skyjector." Office—342 Madison Ave., New York City. Underwriter—First Philadelphia Corp., New York, N. Y.

Automation Laboratories, Inc. (2/27-3/3)

Jan. 26, 1961 (letter of notification) 66,700 shares of common stock (par 10 cents). Price—\$4 per share. Business—The company is engaged in the research and development of infra-red devices used for the alignment of ballistic missiles and space vehicles, for automatic positioning of machinery operations and for geodetic surveys. Offices—80 Urban Ave., Westbury, and 179 Liberty Ave., Mineola, N. Y. Underwriter—Sandkuhl and Co., Newark, N. J., and New York City.

Automobile Banking Corp. (2/21)

Dec. 27, 1960, filed \$2,000,000 of capital debentures and attached warrants to be offered for public sale in units consisting of one \$1,000 debenture and a 10-year warrant to purchase 50 shares of class A common stock. Price—To be supplied by amendment. Business—The financing of installment sales for automobile dealers. Proceeds—To retire outstanding 5½% capital convertible debentures and for expansion. Office—6 Penn Center Plaza, Philadelphia, Pa. Underwriters—Reynolds & Co., Inc., New York and Crutten, Podesta & Co., Chicago (managing).

Baldwin Enclosures, Inc.

Dec. 27, 1960 (letter of notification) 60,000 shares of common stock (par 10 cents). Price—\$5 per share. Business—Manufacturers of elevator cabs for apartment houses and office buildings. Proceeds—For general corporate purposes. Office—59-33 55th St., Maspeth, N. Y. Underwriter—Acme Securities Corp., New York, N. Y.

Bal-Tex Oil Co.

Dec. 22, 1960 (letter of notification) 300,000 shares of class A common stock. Price—At par (\$1 per share). Proceeds—For expenses for development of oil and gas properties. Office—First National Bank Building, Denver, Colo. Underwriter—Equity General Investment Corp., First National Bank Building, Denver, Colo.

Banner Industries, Inc.

Dec. 6, 1960 filed 250,000 shares of common stock (par 10c) 125,000 warrants for the purchase of a like number of common shares and 125,000 common shares underlying the warrants. Offering will be made in units, each unit to consist of two shares of common stock and one warrant for the purchase of one share at \$6 per share to May 1, 1962. Price—\$10 per unit. Proceeds—\$200,000 will be used to expand the company's imports from Eu-

rope and Japan and the balance will be used for additional working capital. Office—1311 South 39th St., St. Louis, Mo. Underwriter—Netherlands Securities Co., Inc., New York City. Offering—Imminent.

Baruch (R.) & Co.

Sept. 20, 1960 (letter of notification) 15,000 shares of class A common stock (par \$3.75). Price—\$10 per share. Business—The issuer is a broker-dealer with the SEC, and a member of the NASD. Proceeds—To take positions and maintain markets in securities, participate in underwritings, and the balance for working capital. Office—1518 K St., N. W., Washington, D. C. Underwriter—Same.

Benbow Astronautics, Inc.

Jan. 18, 1961 (letter of notification) 100,000 shares of class A stock (par 5 cents). Price—\$3 per share. Business—The company supplies the missile and aircraft industries with hydraulic valves and regulators and related mechanical components. Proceeds—For additional working capital and for research and development in the fields of cryogenics and high temperature pneumatic systems. Office—Culver City, Calif. Underwriter—Edward Hindley & Co., 99 Wall St., New York City (managing). Offering—Expected in February.

Berkey Photo Service, Inc. (2/23-24)

Dec. 28, 1960 filed 360,000 shares of common stock of which 80,000 shares will be offered for the account of company and 280,000 shares for the account of selling stockholders. Price—To be supplied by amendment. Business—Photo-processing. Proceeds—For general corporate purposes. Office—77 East 13th Street, New York City. Underwriter—Paine, Webber, Jackson & Curtis, New York City (managing).

Bicor Automation Industries, Inc.

Jan. 23, 1961 filed 110,000 shares of class A common stock. Price—\$4 per share. Business—The company was organized in December, 1960, to acquire all the capital stock of four corporations in Fairview, N. J., whose principal business is the importation and sale of embroidery manufacturing machinery. Proceeds—For new equipment and working capital. Office—333 Bergen Boulevard, Fairview, N. J. Underwriter—Mortimer B. Burnside & Co., Inc., New York City. Offering—Expected sometime in March.

Boonton Electronics Corp.

Dec. 23, 1960 filed 60,000 shares of common stock plus attached warrants, to be offered for public sale in units consisting of one common share and one-half of a two-year warrant. One full warrant will be required to purchase one share at \$5.50 per share during the first year and \$6.50 per share the second year. Price—\$5.50 per unit. Business—The design and manufacture of precision electronic measuring equipment. Proceeds—For expansion, advertising and sales promotion and for research and development. Office—738 Speedwell Avenue, Morris Plains, N. J. Underwriters—Ross, Lyon & Co., Inc., and Globus, Inc., both of New York City. Offering—Expected in early March.

Borman Food Stores, Inc.

Feb. 14, 1961 filed 52,000 outstanding shares of common stock. Price—To be related to the current market price on the New York Stock Exchange at the time of the offering. Business—Operates a chain of "Food Fair" supermarkets in the Detroit area. Proceeds—For the

selling stockholders. **Office** — 12300 Mark Twain Ave., Detroit, Mich. **Underwriter** — Shields & Co., New York City.

Bowling & Construction Corp. (2/27-3/3)

Nov. 28, 1960 filed 120,000 shares of class A common stock. **Price**—\$5 per share. **Business**—The building, leasing and operation of bowling centers. **Proceeds** — For working capital. **Office**—26 Broadway, New York, N. Y. **Underwriter** — Arnold Malkan & Co., Inc., New York City (managing).

Bristol Dynamics Inc. (3/13-17)

Feb. 7, 1961 filed 100,000 shares of common stock, of which 70,000 shares will be offered for public sale by the company and 30,000 by a selling stockholder. **Price**—\$7 per share. **Business**—The designing engineering, producing and selling of electrical and mechanical assemblies, electronic and missile components and special tools. **Proceeds** — The company will use its portion of the proceeds to pay bank loans, expand inventory and purchase raw material, acquire new and larger facilities for business and for research and development and for working capital. **Office** — 219 Alabama Ave., Brooklyn, N. Y. **Underwriter**—William, David & Motti, Inc., New York City.

Business Finance Corp.

Aug. 5, 1960 (letter of notification) 195,000 shares of common stock (par 20 cents). **Price** — \$1.50 per share. **Proceeds**—For business expansion. **Office**—1800 E. 26th St., Little Rock, Ark. **Underwriter**—Cohn Co., Inc., 309 N. Ridge Road, Little Rock, Ark.

Canadian Superior Oil of California, Ltd.

Jan. 5, 1961 filed 1,200,000 shares of common stock to be offered for subscription by common stockholders on the basis of one new share for each 3.75 shares held. **Price** — \$9 (U. S.) and \$8.75 (Can.) per share. **Proceeds**—To repay debts. **Office**—703 Sixth Avenue, South West, Calgary, Alberta. **Underwriter**—None.

Canaveral International Corp. (2/27-3/3)

Aug. 12, 1960 filed 300,000 shares of common stock (par \$1). **Price**—To be supplied by amendment. **Business**—Land sales and development. **Proceeds**—\$150,000 for accounts payable, \$335,000 for mortgage and interest payments, \$250,000 for advertising, \$250,000 for development costs and \$290,000 for general working capital. **Office**—1766 Bay Road, Miami Beach, Fla. **Underwriter**—Robert A. Martin Associates, New York City.

Canterbury Fund, Inc.

Dec. 29, 1960 filed 150,000 shares of capital stock. **Price** — To be supplied by amendment. **Business** — The fund has been organized to serve principally investment clients of Fiduciary Counsel, Inc., and its subsidiary, The Estate Planning Corp. **Proceeds**—For investment. **Office** — 55 Green Village Rd., Madison, N. J. **Underwriter**—Estate Planning Corp. **Offering**—Expected in late February to early March.

Caribbean & Southeastern Development Corp.

Sept. 28, 1960 filed 140,000 shares of common stock. **Price**—\$5.25 per share. **Proceeds**—For investment in land in the Caribbean area, development of a site in Atlanta, Ga., and the balance for general corporate purposes. **Office**—4358 Northside Drive, N. W., Atlanta, Ga. **Underwriter**—To be supplied by amendment.

Central Hadley Corp.

Jan. 27, 1961 filed 41,829 outstanding shares of 5% cumulative convertible preferred stock (par \$10), and 481,450 outstanding common shares. **Business**—A holding company with three wholly owned subsidiaries; B. H. Hadley, Inc., which designs, develops, tests and manufactures precision components for fluid control and regulation systems for the missile industry; Stelladyne Laboratories, Inc., which sells testing and cleaning services to the missile industry; and Central Explorers Co., which owns oil leases and develops the leases. **Proceeds** — To the selling stockholders. **Office**—596 North Park Avenue, Pomona, Calif. **Underwriter**—None.

Chalco Engineering Corp.

Jan. 30, 1961 filed 100,000 shares of common stock. **Price** — \$6 per share. **Business**—The company is engaged in the business of engineering, research, development, manufacturing and installation of custom communication systems and electronic, electro-mechanical and mechanical systems and devices for ground support facilities for missile and space programs of the U. S. Government. The company also manufactures special purpose products sold for military use. **Proceeds**—For the repayment of loans and for working capital. **Office** — 15126 South Broadway, Gardena, Calif. **Underwriter**—First Broad Street Corp., New York City (managing).

Chemical Contour Corp. (2/20-24)

Jan. 19, 1961 (letter of notification) 100,000 shares of capital stock (no par). **Price**—\$3 per share. **Proceeds**—For additional facilities, acquisition of outstanding stock of Organo-Cerams, Inc. and for working capital. **Office** — 16627 S. Avalon Blvd., Gardena, Calif. **Underwriter**—D. A. Lomasney & Co., New York, N. Y.

Chemsol, Inc.

Jan. 16, 1961 filed 200,000 shares of common stock. **Price** — \$3 per share. **Business**—The company and its wholly-owned subsidiary, Chemline Corp., buy, sell and refine by-products of the chemical and petrochemical industries, manufacture and sell lime, and reprocess used thermoplastic resins. **Proceeds** — For construction, new equipment and general corporate purposes. **Office**—74 Dod Street, Elizabeth, N. J. **Underwriter**—Godfrey, Hamilton, Magnus & Co., New York City (managing). **Offering**—Expected in March.

Church Builders, Inc.

Feb. 6, 1961 filed 50,000 shares of common stock, series 2. **Price**—\$5.50 per share. **Business**—A closed-end diversified investment company of the management type.

Proceeds—For investment. **Office**—501 Bailey Avenue, Fort Worth, Texas. **Distributor**—Associates Management, Inc., Fort Worth, Texas.

Circle Controls Corp. (3/1)

Oct. 28, 1960 (letter of notification) 95,000 shares of common stock (par 10 cents). **Price** — \$3 per share. **Business**—Manufacture and rebuilding of electronic, electro-mechanical and mechanical controls. **Proceeds**—For general corporate purposes and working capital. **Office**—204 S. W. Boulevard, Vineland, N. J. **Underwriters**—Rodetsky, Kleinzahler, Walker & Co., Jersey City, N. J.; L. C. Wegard & Co., Trenton, N. J. and L. D. Sherman & Co., New York, N. Y.

Circle-The-Sights, Inc.

March 30 filed 165,000 shares of common stock and \$330,000 of debentures (10-year 8% redeemable). **Price**—For stock, \$1 per share; debentures in units of \$1,000 at their principal amount. **Proceeds**—For initiating sight-seeing service. **Office**—Washington, D. C. **Underwriter**—None.

Citizens Acceptance Corp.

Dec. 29, 1960 filed \$500,000 principal amount of series G 6% five year subordinated debentures. **Price** — At 100% of principal or in exchange for outstanding debentures. **Business**—General finance company. **Proceeds** — To increase working capital and to retire outstanding debentures as they mature. **Office**—Georgetown, Del. **Underwriter**—None.

Citizens & Southern Capital Corp. (3/6-10)

Dec. 21, 1960, filed 300,000 shares of common stock. **Price**—\$5.50 per share. **Business**—A small business investment company and a subsidiary of Citizens & Southern National Bank of Atlanta. **Proceeds**—For investment. **Office**—Marietta and Broad Streets, Atlanta, Ga. **Underwriters** — The Johnson, Lane, Space Corp., Savannah; Courts & Co. and Robinson-Humphrey Co. Inc., Atlanta (managing).

Coastal Dynamics Corp.

Jan. 30, 1961 filed 125,000 shares of class A stock. **Price** — \$3 per share. **Business**—The company (formerly Coastal Manufacturing Corp.) merged with Wesco Plastic Products, Inc., and is principally engaged in the development, manufacture and sale of edge-lighted instrument and control panels for use in the aircraft, missile and electronic industries. **Proceeds** — For new equipment; payment of debts; to increase inventory of electronic component parts; and for working capital. **Office**—219 Rose Avenue, Venice, Calif. **Underwriter**—V. K. Osborne & Sons, Inc., Beverly Hills, Calif. (managing).

Colber Corp.

Jan. 26, 1961 (letter of notification) 100,000 shares of common stock (par 20 cents). **Price**—\$3 per share. **Business**—Manufacturers of resistors. **Proceeds**—For purchase of machinery and equipment, leasehold improvements and for working capital. **Office**—26 Buffington St., Irvington, N. J. **Underwriter**—Richard Bruce & Co., Inc., 80 Pine Street, New York 5, N. Y.

Colonial Mortgage Service Co.

Jan. 31, 1961 filed 100,000 shares of common stock (par \$1). **Price** — To be supplied by amendment. **Business** — Originating and servicing mortgage loans for institutional investors. **Office** — 141 Garrett Road, Upper Darby, Pa. **Underwriters**—Drexel & Co., and Stroud & Co., both of Philadelphia, Pa. (jointly). **Offering**—Expected in early April.

Co'orite Plastics, Inc. (2/27-3/3)

Dec. 22, 1960 filed \$900,000 principal amount of first mortgage bonds, 6½% series, due 1976 (with detachable common stock purchase warrants) and 100,000 shares of common stock. **Price**—For the bonds: 100% of face amount plus accrued interest. For the stock: To be supplied by amendment. **Business**—The manufacture of plastic garden hose, tubes, rods, strips, gaskets, and related items. **Proceeds**—To purchase land, buildings and equipment and for working capital. **Office**—50 California Ave., Paterson, N. J. **Underwriter**—P. W. Brooks & Co., Inc., New York City (managing).

Commerce Oil Refining Corp.

Dec. 16, 1958 filed \$25,000,000 of first mortgage bonds due Sept. 1, 1968, \$20,000,000 of subordinated debentures due Oct. 1, 1968 and 3,000,000 shares of common stock to be offered in units as follows: \$1,000 of bonds and 48 shares of stock and \$100 of debentures and nine shares of stock. **Price** — To be supplied by amendment. **Proceeds** — To construct refinery. **Underwriter**—Lehman Brothers, New York. **Offering**—Indefinite.

Commonwealth International & General Fund, Inc.

Dec. 19, 1960, filed 400,000 shares of common capital stock. **Price**—\$12.50 per share. **Business**—A diversified, open-end, managed investment company. **Proceeds**—For investment. **Office**—615 Russ Bldg., San Francisco, Calif. **Underwriter**—North American Securities Co., San Francisco (dealer-manager).

Consolidated Realty Investment Corp.

April 27 filed 2,000,000 shares of common stock. **Price**—\$1 per share. **Proceeds**—To establish a \$250,000 revolving fund for initial and intermediate financing of the construction of custom or pre-fabricated type residential or commercial buildings and facilities upon properties to be acquired for sub-division and shopping center developments; the balance of the proceeds will be added to working capital. **Office**—1321 Lincoln Ave., Little Rock, Ark. **Underwriter**—The Huntley Corp., Little Rock, Ark.

Copter Skyways, Inc.

Jan. 16, 1961 filed 15,000,000 shares of no par common stock. **Price**—3 cents per share. **Proceeds**—To acquire the equipment, real estate and other materials necessary to commence business. **Office**—Penn-Sheraton Hotel, Pittsburgh, Pa. **Underwriter**—C. A. Benson & Co., Inc., Pittsburgh, Pa.

Cortez Life Insurance Co.

Jan. 12, 1961 filed 500,000 shares of common stock. **Price**—\$3 per share. **Business**—The company is engaged in the business of writing life insurance, annuity policies and re-insurance. **Proceeds**—For general corporate purposes. **Office**—304 Main St., Grand Junction Colo. **Underwriter**—None.

Cumberland Shoe Corp.

Jan. 3, 1961 (letter of notification) 37,115 shares of common stock (par 50 cents) to be offered for subscription by stockholders of the company with the right to purchase one share for each five shares held. Rights expire in 30 days. **Price**—\$3.75 per share. **Office**—North Margin Street, Franklin, Tenn. **Underwriter**—Clark, Landstreet & Kirkpatrick, Inc., Nashville, Tenn.

Custom Components, Inc.

Jan. 24, 1961 filed 165,000 shares of common stock (par 10 cents). **Price**—\$3 per share. **Business**—The company designs, develops and produces high quality components for microwave and electronic systems. **Proceeds** — For expansion, acquisitions and working capital. **Office**—Passaic Ave., Caldwell, N. J. **Underwriter**—Manufacturers Securities Corp., 511 Fifth Ave., New York, N. Y.

Dalto Corp.

March 29 filed 431,217 shares of common stock to be offered for subscription by holders of such stock of record Oct. 7 at the rate of one-and-a-half new shares for each share then held. **Price**—\$1.25 per share. **Proceeds**—For the retirement of notes and additional working capital. **Office**—Norwood, N. J. **Underwriter**—Sterling, Grace & Co., 50 Broad St., New York City. **Offering**—Indefinitely postponed.

Deianco Electric Co., Inc.

Jan. 17, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—\$3 per share. **Business**—The company operates three retail stores selling sewing machines and electrical appliances. **Proceeds**—For expansion and general corporate purposes. **Office** — 111 Delancey Street, New York, N. Y. **Underwriter**—Michael Pariser Corp., New York, N. Y. **Offering**—Expected in late February.

Delta Design, Inc.

Sept. 28, 1960 filed 100,000 shares of capital stock. **Price** — \$4.50 per share. **Business** — Development of vacuum system components. **Proceeds** — For acquisition of land and construction of a factory; purchase of new machinery and tooling; inventory and working capital. **Office**—3163 Adams Ave., San Diego, Calif. **Underwriter**—None.

Detroit Tractor, Ltd.

May 26, 1960 filed 1,375,000 shares of class A stock. Of this stock, 1,125,000 shares are to be offered for the company's account and the remaining 250,000 shares are to be offered for sale by the holders thereof. **Price**—Not to exceed \$3 per share. **Proceeds**—To be applied to the purchase of machine tools, payment of \$95,000 of notes and accounts payable, and for general corporate purposes. **Office**—1221 E. Keating Avenue, Muskegon, Mich. **Underwriter**—To be supplied by amendment.

★ Diversified Finance Corp.

Feb. 9, 1961 the company reported that it had filed with the Florida Securities Commission its first public offering of 300,000 shares of common stock. Each share carries a warrant expiring in December, 1963, entitling the holder thereof to purchase one additional share at \$1.25 per share. **Price**—\$1.25 per share. **Business**—The company and its subsidiaries are engaged in the small loan, consumer discount and retail instalment sales financing business in southeast Florida. **Proceeds**—For expansion. **Office**—615 W. Broward Blvd., Fort Lauderdale, Fla. **Underwriter**—None.

• Dixie Natural Gas Corp. (2/27-3/3)

Dec. 5, 1960 (letter of notification) 75,000 shares of common stock (par 2 cents). **Price**—\$4 per share. **Business**—Develops oil and gas leases in West Virginia. **Proceeds** — For general business purposes. **Office** — 115 Broadway, New York 6, N. Y. **Underwriter**—Vestal Securities Corp., New York City.

Dob Corp.

Jan. 30, 1961 (letter of notification) 75,000 shares of common stock (no par). **Price**—\$4 per share. **Proceeds**—For lease improvements, to purchase new machinery and equipment, increase inventory and for working capital. **Office**—3318 La Cienega Place, Los Angeles, Calif. **Underwriter**—Morgan & Co., Los Angeles, Calif.

• Dodge Wire Corp. (3/15)

Dec. 7, 1960, filed 100,000 shares of common stock. **Price** — \$6 per share. **Business**—The manufacture of woven aluminum screen cloth. **Proceeds**—The repayment of indebtedness and general corporate purposes. **Office**—Industrial Blvd., Covington, Ga. **Underwriter**—Plymouth Securities Corp., New York City.

Dolomite Glass Fibres, Inc.

Dec. 27, 1960 filed 200,000 shares of 7% preferred stock (cumulative - convertible); 200,000 class A common shares (voting) and 1,000,000 common shares (non-voting). **Price**—\$10 per share for the preferred and \$1 per share for the class A and common shares. **Business**—The manufacture and sale of glass fibre for insulation and glass fibre threads, mats and rovings for use in the production of reinforced plastics. **Proceeds**—For working capital and the purchase of additional equipment. **Office** — 1037 Jay St., Rochester, N. Y. **Underwriter**—None.

Dynamic Instrument Corp.

Jan. 27, 1961 filed 150,000 shares of common stock (full registration). **Price**—\$2 per share. **Business**—The company is engaged in the design, manufacture and sale of electro-magnetic clutches and brakes and in the machinery of precision instrument components on a sub-contract basis. **Proceeds**—To repay loans, complete and develop new products and for working capital. **Office**—

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59 New York Ave., Westbury, L. I., N. Y. Underwriters—T. W. Lewis & Co., Inc., and Amos Treat & Co., Inc., both of New York City and Bruno-Lenchner, Inc., Pittsburgh. Offering—Expected in mid-March.

Dynatronics, Inc.

Feb. 3, 1961 filed 120,000 shares of common stock. Price—To be supplied by amendment. Business—The company is engaged in the design, manufacture and sale of electronic equipment and systems, including antenna, digital and timing systems. Proceeds—For repayment of bank loans; new equipment and working capital. Address—P. O. Box 2566, Orlando, Fla. Underwriter—R. S. Dickson & Co., Charlotte, N. C.

Eastern Bowling Corp. (2/27)

Nov. 29, 1960 filed 150,000 shares of class A stock. Price—To be supplied by amendment. Business—The acquisition, establishment and operation of bowling centers. Proceeds—For general business purposes. Office—99 West Main St., New Britain, Conn. Underwriter—Schirmer, Atherton & Co., Boston (managing).

Eastern Camera Exchange, Inc.

Dec. 29, 1960 (letter of notification) 75,000 shares of common stock (par 10 cents). Price—\$4 per share. Business—Operating a chain of retail stores and concessions selling cameras, film and photographic supplies and equipment; also processes and prints black and white photographic film. Proceeds—To reduce indebtedness incurred by acquisitions, to pay notes due, and for general corporate purposes. Office—68 W. Columbia Street, Hempstead, N. Y. Underwriter—Casper Rogers & Co., Inc., New York, N. Y.

Eastern Can Co., Inc. (3/6-10)

Jan. 23, 1961 filed 200,000 shares of class A stock. Price—\$7 per share. Business—The company is engaged in the business of manufacturing tin plate cans for the packaging and marketing of different types of food, petrochemicals and other products. Proceeds—For new equipment; completion of a new manufacturing plant at Passaic, N. J.; the moving of metal container manufacturing equipment from Brooklyn to Passaic, and for working capital. Office—649 Kent Avenue, Brooklyn, N. Y. Underwriter—Milton D. Blauner & Co., Inc., New York City.

★ Economics Laboratory, Inc.

Feb. 10, 1961 filed \$4,000,000 of convertible debentures due April 1, 1976. Price—To be supplied by amendment. Business—The manufacturing and selling of detergents and cleaning agents for commercial dishwashing and household use. Proceeds—For the repayment of notes, for new facilities and for working capital. Office—914 Guardian Bldg., St. Paul, Minn. Underwriters—W. E. Hutton & Co., Cincinnati, O., and Kalman & Co., Inc., St. Paul, Minn. (managing).

Electro Consolidated Corp.

Jan. 27, 1961 filed 100,000 shares of common stock, of which 50,000 are to be offered for public sale by the issuing company and 50,000 shares, being outstanding stock, by the present holders thereof. Price—\$6 per share. Business—The company and its subsidiaries are engaged in the design, manufacture, distribution and sale of fluorescent and incandescent lighting fixtures for commercial and industrial use, and the manufacture and sale of household appliances including broilers and food-slicers. Proceeds—For the repayment of bank loans, new equipment, and working capital. Office—Spruce and Water Streets, Reading, Pa. Underwriters—Brand, Grumet & Seigel, Inc., and Kesselman & Co., Inc., both of New York City. Offering—Expected in late March.

Electro Industries, Inc.

July 19, 1960 (letter of notification) 75,000 shares of class A common stock (no par) and 20,000 shares of additional class A common stock to be offered to the underwriters. Prices—Of class A common, \$2 per share; of additional class A common, 2½ cents per share. Proceeds—To expand the company's inventory to go into the packaging and export of electrical equipment, and for working capital. Office—1346 Connecticut Ave., N. W., Washington, D. C. Underwriter—Carleton Securities Corp., Washington, D. C.

Electro-Nuclear Metals, Inc.

Aug. 31, 1960 (letter of notification) 250,000 shares of common stock. Price—At par (\$1 per share). Proceeds—To purchase new equipment, rental and for administrative costs. Office—115 Washington Blvd., Roseville, Calif. Underwriter—A. J. Taranto & Co., Carmichael, Calif.

Electro-Tech Instruments, Inc.

Nov. 29, 1960 (letter of notification) 75,000 shares of common stock (par 50 cents). Price—\$4 per share. Proceeds—For inventory, advertising and working capital. Office—5 N. Mason St., Portland, Oreg. Note—This letter was withdrawn.

Elion Instruments, Inc.

Oct. 28, 1960 filed 60,000 outstanding shares of capital stock (par 50 cents), together with five-year warrants for the purchase of 6,000 new capital shares, to be offered for sale in units of one share of stock and one-tenth of a warrant. No sale will be made of less than 10 such units. Price—To be related to the price of the company's stock in the over-the-counter market immediately prior to the offering. Business—The firm makes and sells instruments and equipment for scientific and industrial measurement and analyses. Proceeds—To selling stockholders, who are two company officers who will lend the net proceeds to the company. Office—430 Buckley St., Bristol, Pa. Underwriter—Warner, Jennings, Mandel & Longstreth, Philadelphia, Pa. Offering—Expected in late March.

★ Enstrom (R. J.) Corp.

Jan. 27, 1961 (letter of notification) 30,000 shares of common stock. Price—At par (\$10 per share). Proceeds

—For outstanding loans and working capital. Address—Menominee County Airport, Menominee, Mich. Underwriter—None.

● Falls Plaza Limited Partnership (2/20-24)

Dec. 5, 1960 filed 480 units of limited partnership interests. Price—\$1,000 per unit. Business—The building and operation of a shopping center on Broad Street in Falls Church, Va. Proceeds—For the purchase of land and the erection of a shopping center. Office—1823 Jefferson Place, N. W., Washington, D. C. Underwriter—Hodgdon & Co., Inc., and Investor Service Securities Inc., both of Washington, D. C.

Faradyne Electronics Corp.

Jan. 30, 1961 filed \$1,500,000 of 6% convertible subordinated debentures. Price—100% of principal amount. Business—The company is engaged in the manufacture and distribution of high reliability materials and basic electronic components, including dielectric and electrolytic capacitors and precision tungsten wire forms. Proceeds—For the payment of debts and for working capital. Office—471 Cortlandt Street, Belleville, N. J. Underwriter—To be named.

● Filmohm Corp.

Dec. 27, 1960 (letter of notification) 110,000 shares of common stock (par 10 cents). Price—\$2.25 per share. Business—Manufacturers of thin film electronic components. Proceeds—For general corporate purposes. Office—48 W. 25th St., New York, N. Y. Underwriter—Kidder, Peabody & Co., New York, N. Y. Offering—Expected in late February.

First American Investment Corp.

Oct. 14, 1960 filed 2,500,000 shares of common stock. Price—\$2 per share. Business—Insurance. Proceeds—To acquire control of Western Heritage Life Insurance Co. of Phoenix, and to organize subsidiaries. Office—2222 N. 16th St., Phoenix, Ariz. Underwriter—None.

First Small Business Investment Company of Tampa, Inc.

Oct. 6, 1960 filed 500,000 shares of common stock. Price—\$12.50 per share. Proceeds—To provide investment capital. Office—Tampa, Fla. Underwriter—None.

Florida Guaranty Title & Trust Co.

Nov. 29, 1960 (letter of notification) 83,125 shares of common stock (par 50 cents). Price—\$3.60 per share. Proceeds—To pay a second mortgage installment, for advertising, and for working capital. Office—1090 N. E. 79th St., Miami, Fla. Underwriter—Floyd D. Cerf Jr. Co., Inc., Chicago, Ill.

● Forcite, Inc.

Jan. 26, 1961 filed 150,000 shares of common stock. Price—\$5 per share. Business—The manufacture and sale of a specialized line of furniture, and the operation of a chain of retail furniture stores in New York City, Chicago, Ill., and Los Angeles, Calif. Proceeds—To repay loans, discharge outstanding 7% debentures due in March 1962, finance the opening of new retail outlets and for working capital. Office—117-20 14th Road, College Point, L. I., N. Y. Underwriter—Myron A. Lomasney & Co., New York City. Offering—Expected in late April.

● Foremost Industries, Inc.

Oct. 14, 1960 (letter of notification) 100,000 shares of common stock (par 50 cents). Price—\$3 per share. Business—Manufacturers of stainless steel food service equipment used by department, drug and variety chain stores, and institutions. Proceeds—For expansion; to repay a loan; advertising, sales and promotion; for working capital and general corporate purposes. Office—250 W. 57th St., New York, N. Y. Underwriter—Richard Bruce & Co., Inc., New York, N. Y. Offering—Imminent.

Fund of America, Inc. (2/28)

Jan. 6, 1961 filed 500,000 shares of common stock. Price—\$10 per share. Business—The company, formerly named Southern Industries Fund, Inc., is an open-end balanced investment trust. Office—60 East 42nd Street, New York, N. Y. Underwriters—Ladenburg, Thalmann & Co., New York City and Minis & Co., Inc., Savannah, Georgia.

● FWD Corp.

Dec. 15, 1960 (letter of notification) \$300,000 of 6% 10-year convertible debentures being offered for subscription by holders of common stock of record Jan. 27 in multiples of \$100 in unrestricted amounts, and to holders of the convertible debentures, due 1971, on the basis of \$100 of new debentures for each \$500 held, with rights to expire on Feb. 27. Price—At face value. Proceeds—To purchase the outstanding stock of Wagner Tractor, Inc. Address—Clintonville, Wis. Underwriter—A. C. Allyn & Co., Inc., Chicago, Ill.

G-W Ameritronics, Inc.

Jan. 25, 1961 filed 80,000 shares of common stock and 160,000 warrants to purchase a like number of common shares, to be offered for public sale in units, each consisting of one share of common stock and two warrants. Each warrant will entitle the holder thereof to purchase one share of common stock at \$2 per share from March to August 1961 and at \$3 per share from September 1962 to February 1964. Price—\$4 per unit. Business—The company (formerly Gar Wood Philadelphia Truck Equipment, Inc.), distributes, sells, services and installs Gar Wood truck bodies and equipment in Pennsylvania, Delaware, and New Jersey, under an exclusive franchise. Proceeds—For general corporate purposes. Office—Kensington and Sedgley Avenues, Philadelphia, Pa. Underwriter—Fraser & Co., Inc., Philadelphia, Pa.

General Supermarkets, Inc.

Jan. 17, 1961 filed 110,000 shares of common stock. Price—\$3 per share. Proceeds—To be used as working capital to expand the number of supermarkets. Office—200 Main Ave., Passaic, N. J. Underwriter—Godfrey, Hamilton, Magnus & Co., Inc., New York City (managing). Offering—Expected sometime in March.

Genie Petroleum, Inc.

Nov. 10, 1960 filed 838,718 shares of common stock. Price—\$1 per share. Business—Development of oil properties. Proceeds—For general corporate purposes. Office—5245 W. Irving Park Road, Chicago, Ill. Underwriter—The issuer intends to become a licensed broker-dealer in the states in which this offering is to be made, and to offer 338,718 of the shares through its officers and employees. The remaining 500,000 shares will be offered through other licensed broker-dealers on a "best efforts" basis.

● Geochron Laboratories, Inc. (2/20-21)

Nov. 29, 1960 filed 150,000 shares of common stock. Also filed were 30,000 common shares underlying 6% convertible notes and 60,000 warrants to purchase a like number of common shares. Price—To be supplied by amendment. Business—The operation of a laboratory at Cambridge, Mass., to furnish on a commercial basis, determinations of the age of rock and mineral samples. Proceeds—For construction, equipment, and working capital. Office—24 Blackstone St., Cambridge, Mass. Underwriter—Globus, Inc. and Ross, Lyon & Co., both of New York City.

● Gold Medal Packing Corp. (3/6-10)

June 17, 1960 filed 100,000 shares of 25c convertible preferred stock (par \$4). Price—At par. Proceeds—Approximately \$150,000 will be used to discharge that portion of its obligation to Jones & Co. pursuant to which certain inventories are pledged as collateral. The indebtedness to Jones & Co. was initially incurred on June 15, 1960 in connection with refinancing the company's obligations to a bank. In addition, \$15,000 will be used for the construction of an additional smokehouse, and the balance will be used for general corporate purposes. Office—614 Broad Street, Utica, N. Y. Business—The company is engaged in the processing, packing, and distribution of meats and meat products, principally sausage products, smoked meats, bacon, and meat specialists. It also sells certain dairy products. Underwriter—Capital Investment Co., Newark, N. J.

Golden Crest Records, Inc. (2/20-24)

Dec. 16, 1960 filed 85,000 shares of 10c par class A common stock. Price—\$3 per share. Proceeds—The firm will use the proceeds of its first public offering for working capital and general corporate purposes. Office—Huntington, L. I., N. Y. Underwriters—Dean Samitas & Co., Inc., 111 Broadway, New York City (managing); Valley Forge Securities Co., Inc., Philadelphia, Pa., and Nassau Securities Service, New York City.

Grayco Credit Corp.

Jan. 16, 1961 (letter of notification) \$150,000 of 10-year 7% sinking fund debentures and 75,000 shares of common stock (par \$1) to be offered in units consisting of 50 shares of common and \$100 of debentures. Price—\$200 per unit. Proceeds—For working capital. Office—1012 Market St., Johnson City, Tenn. Underwriter—Branum Investment Co., Inc., Nashville, Tenn.

● Grayway Precision, Inc. (2/23)

Dec. 23, 1960 (letter of notification) 75,000 shares of common stock (par 10 cents). Price—\$4 per share. Business—Manufacturers of precision instruments. Proceeds—For general corporate purposes. Office—121 Centre Avenue, Secaucus, N. J. Underwriters—Harrison & Co., Philadelphia, Pa. and Marron, Sloss & Co., Inc., New York, N. Y.

Greenfield Real Estate Investment Trust

(2/27-3/3)
Dec. 21, 1960, filed 500,000 shares of beneficial interest. Price—To be supplied by amendment. Business—The company was organized on Dec. 20, 1960 to provide investors with an interest in diversified income-producing properties consisting principally of real estate interests. Proceeds—For investment. Office—Bankers Securities Bldg., Philadelphia, Pa. Underwriter—Drexel & Co., Philadelphia (managing).

● Guild Musical Instrument Corp.

Oct. 25, 1960 filed 110,000 shares of common stock. Price—\$3 per share. Proceeds—For general corporate purposes, including debt reduction, machinery and equipment, inventory, and working capital. Office—Hoboken, N. J. Underwriter—Michael G. Kletz & Co., Inc., New York City. Offering—Expected in late February to early March.

● Gulf Guaranty Land & Title Co. (2/27-3/3)

Nov. 29, 1960 filed \$750,000 of 7% convertible subordinated debentures due 1968 and 150,000 shares of common stock to be offered in units, each unit to consist of \$100 of debentures and 20 shares of common stock. Price—\$200 per unit. Business—The development of a planned community in Cape Coral, Fla. Proceeds—To reduce indebtedness, repay a mortgage, construction, and general corporate purposes. Office—Miami, Fla. Underwriter—Street & Co., New York City.

● Honey Dew Food Stores, Inc.

Jan. 27, 1961 (letter of notification) 116,000 shares of common stock (par 10 cents). Price—\$2.50 per share. Business—The company operates a chain of 10 supermarkets. Proceeds—For general corporate purposes. Office—811 Grange Road, Teaneck, N. J. Underwriter—Capital Investment Co., Newark, N. J. Offering—Expected in mid-March.

● Howell Instruments Inc.

Oct. 4, 1960 filed 140,000 shares of outstanding common stock. Price—To be supplied by amendment. Proceeds—To selling stockholders. Address—Fort Worth, Texas. Underwriter—Dewar, Robertson & Pancoast, San Antonio, Tex. Offering—Indefinitely postponed. Note—G. H. Walker & Co., is no longer underwriting.

Hydro-Electronics Corp. (3/1)

Nov. 21, 1960 (letter of notification) 150,000 shares of common stock (par one cent). Price—\$2 per share. Business—The design and manufacture of precision measuring equipment, automation equipment and general pre-

cision fluid controls. **Proceeds**—For general corporate purposes. **Office**—691 Merrick Road, Lynbrook, L. I., N. Y. **Underwriter**—Lloyd Securities, New York, N. Y.

Hydrosift Corp.

Oct. 20, 1960 filed 70,000 shares of common stock. **Price**—\$5 per share. **Business**—The firm, which was organized in February, 1957, makes and wholesales products and services for the fiberglass industry, including particularly fiberglass boats known as "HydroSwift" and "Skyliner." **Proceeds**—For general funds, including expansion. **Office**—1750 South 8th St., Salt Lake City, Utah. **Underwriter**—Whitney & Co., Salt Lake City, Utah.

I C Inc.

June 29 filed 600,000 shares of common stock (par \$1). **Price**—\$2.50 per share. **Proceeds**—To further the corporate purposes and in the preparation of the concentrate and enfranchising of bottlers, the local and national promotion and advertising of its beverages, and where necessary to make loans to such bottlers, etc. **Office**—764 Equitable Building, Denver, Colo. **Underwriters**—Purvis & Co. and Amos C. Sudler & Co., both of Denver, Colo.

Ilikon Corp. (2/20)

Dec. 23, 1960, filed 75,000 shares of common stock. **Price**—\$5 per share. **Business**—The company was formed in June 1960, to undertake research and development in the field of "materials engineering and science." **Proceeds**—To carry on work on projects now in the laboratory stage and for general corporate purposes. **Office**—Natick, Mass. **Underwriter**—Myron A. Lomasney & Co., New York City.

Income Planning Corp.

Dec. 29, 1960 (letter of notification) 5,000 shares of cumulative preferred stock (no par) and 10,000 shares of class A common stock (par 10 cents) to be offered in units consisting of one share of preferred and two shares of common. **Price**—\$40 per unit. **Proceeds**—To open a new branch office, development of business and for working capital. **Office**—3300 W. Hamilton Boulevard, Allentown, Pa. **Underwriter**—Espy & Wanderer, Inc., Teaneck, N. J. **Offering**—Expected late February to early March.

International Diode Corp. (3/1)

July 29, 1960 filed 42,000 shares of 6% non-cumulative convertible preferred stock (par \$8). **Price**—\$8 per share. **Business**—Makes and sells diodes. **Proceeds**—To establish a staff of production and sales engineers, finance new product development, buy equipment, and add to working capital. **Office**—90 Forrest St., Jersey City, N. J. **Underwriter**—T. M. Kirsch Co., New York City.

International Mosaic Corp.

Sept. 30, 1960 (letter of notification) 99,333 shares of common stock (par 10 cents). **Price**—\$3 per share. **Business**—Manufacture of glass mosaics by machines and processes. **Proceeds**—For general corporate purposes. **Office**—45 East 20th St., New York 3, N. Y. **Underwriter**—B. G. Harris & Co., Inc., New York, N. Y.

International Safflower Corp.

Aug. 3, 1960 filed 60,000 shares of class A common stock (par \$2). **Price**—\$5 per share. **Proceeds**—To retire outstanding loans, buy seed, buy or lease land, building, and machinery, and for working capital. **Office**—350 Equitable Bldg., Denver, Colo. **Underwriter**—Copley & Co., Colorado Springs, Colo.

Invesco Collateral Corp. (2/27-3/3)

Dec. 8, 1960, filed \$300,000 of 6% registered debentures, series due June 30, 1964; \$300,000 of 6% registered debentures, series due June 30, 1965, and \$300,000 of 6% registered debentures, series due June 30, 1966. **Price**—To be offered for sale in \$5,000 units at \$4.450 per unit for the 1964 debentures, at \$4.315 per unit for the 1965 debentures and at \$4.190 per unit for the 1966 debentures. **Business**—The purchasing, investing in and selling of real estate mortgages. However, the company may buy, invest in and sell other types of securities. **Office**—511 Fifth Ave., New York, N. Y. **Underwriter**—None. **Note**—This company is a wholly owned subsidiary of Investors Funding Corp.

Israel Development Corp.

Nov. 21, 1960 filed \$3,000,000 of 5½% convertible sinking fund debentures, series A, due 1975, and 100,000 shares of common stock underlying such debentures. **Price**—To be offered in denominations of \$500, \$1,000 and \$5,000, payable in cash or State of Israel bonds. **Business**—The company is a closed-end investment company which makes funds available for the economic development of Israel. **Proceeds**—To invest in establishing or existing Israeli businesses. **Office**—17 East 71st St., New York City. **Underwriter**—None.

Jefferson Lake Asbestos Corp. (3/6-10)

Jan. 9, 1961 filed \$2,625,000 of 6½% series A subordinated sinking fund debentures due 1972 (with series A warrants to purchase 262,500 common shares), and 175,000 shares of common stock to be offered for public sale in units consisting of four common shares and a \$60 debenture (with a warrant to purchase six common shares initially at \$5 per share). **Price**—\$80 per unit. **Business**—The production and sale of asbestos. **Proceeds**—For construction and working capital. **Office**—1408 Whitney Building, New Orleans, La. **Underwriter**—A. G. Edwards & Sons, St. Louis, Mo. (managing).

Jensen Industries (3/15)

Feb. 8, 1961 (letter of notification) 75,000 shares of common stock (par \$1). **Price**—To be supplied by amendment. **Proceeds**—For expansion. **Office**—Los Angeles, Calif. **Underwriters**—Maltz, Greenwald & Co., New York City and Thomas, Jay Winston & Co., Los Angeles, Calif.

Jonker Business Machines, Inc. (2/27-3/3)

Sept. 30, 1960 filed 50,000 common stock units, each unit to consist of one share of class A common and 3 shares of class B common, to be offered for subscription by holders of its common stock. **Price**—The price and the basis of the rights offering will be supplied by amendment. **Proceeds**—To establish sales and information centers, establish distributorships, expansion, and the balance for working capital. **Office**—404 No. Frederick Ave., Gaithersburg, Md. **Underwriter**—Hodgdon & Co., Inc., Washington, D. C.

Jouet, Inc. (2/21-24)

Nov. 28, 1960 (letter of notification) 150,000 shares of common stock (par five cents). **Price**—\$2 per share. **Business**—The manufacture of dolls, toys and similar items. **Proceeds**—For the purchase and installation of machinery and molds and for working capital. **Office**—346 Carroll Street, Brooklyn, N. Y. **Underwriter**—Edward H. Stern & Co., 32 Broadway, New York, N. Y.

Jungle Juice Corp.

Oct. 28, 1960 (letter of notification) 120,000 shares of common stock (par 25 cents). **Price**—\$2.50 per share. **Proceeds**—For working capital and expansion. **Address**—Seattle, Wash. **Underwriters**—Planned Investing Corp., New York, N. Y. and Fidelity Investors Service, East Meadow, N. Y. **Offering**—Expected in early March.

Kavanau Corp.

Sept. 30, 1960 filed 250,000 shares of common stock (par \$1). **Price**—\$10 per share. **Business**—A real estate investment company. **Proceeds**—For acquisition of properties, working capital and general corporate purposes. **Office**—415 Lexington Ave., New York, N. Y. **Underwriter**—Ira Investors Corp., New York, N. Y.

Kings Electronics Co., Inc.

Jan. 27, 1961 filed 295,187 shares of common stock, of which 250,000 are to be offered for public sale by the company and 45,187 shares, being outstanding stock, by the present holders thereof. **Price**—\$4 per share for the new stock. The outstanding shares will be offered at the prevailing market price on the over-the-counter market or on any securities exchange upon which they may be listed at any time after 60 days from the date of the company's offering. **Business**—The company is engaged principally in the design, development and manufacture of radio frequency connectors. **Proceeds**—For expansion, the repayment of loans and for working capital. **Office**—40 Marbledale Road, Tuckahoe, N. Y. **Underwriter**—Ross, Lyon & Co., Inc., New York City (managing).

(S.) Klein Department Stores, Inc.

Jan. 23, 1961 filed 130,000 shares of common stock, of which 72,000 shares are to be offered directly to five persons at the initial offering price and 58,000 shares are to be offered for public sale at a price related to the current market for outstanding shares at the time of the offering. **Business**—The company operates four department stores in the New York City area. **Proceeds**—To purchase from the Prudential Insurance Co. of America, \$1,350,000 of the company's 4½% notes due Sept. 1, 1969. The balance of the proceeds will be added to working capital. **Underwriter**—Emanuel, Deetjen & Co., New York City. **Offering**—Expected in mid-March.

Knapp & Tubbs, Inc.

Feb. 13, 1961 filed 150,000 outstanding shares to be offered for public sale by the holders thereof. **Price**—\$4 per share. **Business**—The selling at wholesale of home furniture, interior decorative furnishings and art objects. **Proceeds**—To the selling shareholder. **Office**—Merchandise Mart, Chicago, Ill. **Underwriter**—Roman & Johnson, Fort Lauderdale, Fla. (managing).

Knickerbocker Biologicals, Inc.

Dec. 23, 1960, filed 100,000 outstanding shares of class A stock. **Price**—\$6 per share. **Business**—The manufacture, packaging and distribution of a line of diagnostic serums and cells used for the purpose of blood grouping and testing. The company also operates blood donor centers in New York and Philadelphia. **Proceeds**—For the selling stockholders. **Office**—300 West 43rd Street, New York City. **Underwriter**—None.

Kurz & Root Co. (2/23)

Dec. 30, 1960 (letter of notification) 66,500 shares of common stock (par \$1). **Price**—\$4.50 per share. **Proceeds**—For general corporate purposes. **Office**—232 East North Island Street, Appleton, Wis. **Underwriter**—Milwaukee Co., Milwaukee, Wis.

LP Gas Savings Stamp Co., Inc.

Sept. 27, 1960 (letter of notification) 30,000 shares of common stock **Price**—At par (\$10 per share). **Proceeds**—For purchase of creative design and printing of catalogs, stamp booklets, advertising and for working capital. **Office**—300 W. 61st St., Shreveport, La. **Underwriter**—International Sales & Investment, Inc., 4501 North Blvd., Baton Rouge, La.

Lafayette Radio Electronics Corp.

Jan. 27, 1961 filed \$2,500,000 of convertible subordinated debentures due 1976 to be offered for public sale by the company, and 100,000 outstanding shares of common stock, to be offered for public sale by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The company and its subsidiaries are engaged in the business of distributing an extensive line of electronic parts and equipment and high fidelity sound components, and in the engineering, designing, assembling and distributing of electronic equipment in kit and wired form. **Proceeds**—For the repayment of loans, for new equipment and for working capital. **Office**—165-08 Liberty Avenue, Jamaica, N. Y. **Underwriters**—C. E. Unterberg, Towbin Co., New York City. **Offering**—Expected in mid-March.

Lake Arrowhead Development Co. (3/6-10)

Jan. 10, 1961 filed 300,000 shares of common stock. **Price**—\$10 per share. **Business**—Managing and developing the Arrowhead property, which is located in the San

Bernadino Mountains. **Proceeds**—To reduce indebtedness, with the balance for general corporate purposes, including working capital. **Office**—Lake Arrowhead, Calif. **Underwriters**—Van Alstyne, Noel & Co., New York City (managing) and Sutro & Co., San Francisco.

Landmark Corp.

Jan. 27, 1961 filed 30,000 shares of \$5 par common stock. **Price**—\$10 per share. **Proceeds**—For construction, cost of land, office equipment, and working capital. **Office**—212 W. Jefferson St., Fort Wayne, Ind. **Underwriter**—First Security Corp., Fort Wayne, Ind.

"Lapidoth" Israel Oil Prospectors Corp. Ltd.

Oct. 27, 1960 filed 1,500,000 ordinary shares. **Price**—To be supplied by amendment, and to be payable either totally or partially in Israel bonds. **Business**—The company was organized in October 1959 as a consolidation of individual and corporate licensees who had been operating in the oil business as a joint venture. **Proceeds**—For exploration and development of oil lands. **Office**—22 Rothschild Blvd., Tel-Aviv, Israel. **Underwriter**—None.

Leaseway Transportation Corp. (2/27-3/3)

Jan. 11, 1961 filed 150,000 shares of common stock, of which 75,000 shares are to be offered for the account of the issuing company and the remaining 75,000 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—To be supplied by amendment. **Business**—The company was formed last November, and has gained or will gain control of 81 corporations. The company will lease trucks and other commercial vehicles on a long-term basis, and will engage in the intrastate operation of trucks as a local contract carrier. **Proceeds**—For working capital, which may be used for acquisitions or to enhance the issuer's borrowing power. **Office**—11700 Shaker Blvd., Cleveland, O. **Underwriter**—Hayden, Stone & Co., New York City (managing).

Lee Communications Inc.

Nov. 28, 1960 (letter of notification) 150,000 shares of common stock (par one cent). **Price**—\$2 per share. **Business**—The manufacture, research, sale and distribution of communications equipment and related products. **Proceeds**—For payment of bank loans; new equipment; advertising and promotion; engineering research and for working capital. **Office**—470 Park Ave., S., New York, N. Y. **Underwriter**—H. B. Crandall Co., New York, N. Y.

Lee Telephone Co.

Feb. 9, 1961 it was reported that this company is offering common stockholders the right to subscribe to 19,031 additional shares of common stock (par \$10) on the basis of one share for each 11¼ shares held of record Dec. 20, 1961, with rights to expire Feb. 28, 1961 at 5 p.m. (EST). **Price**—\$15.75 per share. **Business**—The company renders general telephone service in Virginia and North Carolina. **Proceeds**—To repay loans and for construction. **Office**—127 East Church St., Martinsville, Va. **Underwriter**—None.

Le-Wood Homes, Inc.

Jan. 19, 1961 (letter of notification) 100,000 shares of common stock (par 50 cents) and 100,000 of 9% convertible debentures due March 1, 1971 to be offered in units of 100 shares of common stock and 1-\$100 of debentures. **Price**—Of stock, \$2 per share; of debentures, \$300 per unit. **Proceeds**—For working capital. **Office**—7001 W. Broad St., Richmond, Va. **Underwriter**—Bellamah, Neuhauser & Barrett, Washington, D. C.

Lifetime Pools Equipment Corp.

July 1, 1960, filed 175,000 shares of common stock. **Price**—\$3.25 per share. **Business**—Engaged in the manufacture and selling of fiber glass swimming pools. **Proceeds**—\$125,000 will be used to purchase machinery and equipment; \$200,000 to purchase raw materials, parts and components; \$40,000 for sales and advertising promotion; \$30,000 for engineering and development; and the balance will be added to working capital. **Office**—Renovo, Pa. **Underwriters**—Pacific Coast Securities Co., San Francisco, Calif. and Grant, Fontaine & Co., Oakland, Calif. **Note**—Statement effective Nov. 23. **Offering**—Expected in late February.

Lockwood Grader Corp.

Feb. 2, 1961 filed \$500,000 of 6% sinking fund debentures, series A (with warrants for the purchase of 15,000 shares of class A common stock), and 30,000 shares of class A common stock. **Price**—To be filed by amendment. **Business**—The manufacture and sale of field agricultural machinery and grading, sorting and handling machinery, primarily for use in the potato industry. **Proceeds**—For working capital. **Office**—Gering, Nebr. **Underwriter**—First Trust Co. of Lincoln, Nebr.

Loral Electronics Corp.

Jan. 19, 1961 filed 9,450 outstanding common shares. **Price**—At the prevailing market price on the American Stock Exchange or in the over-the-counter market at the time of the sale. **Business**—The company is engaged in the research, development and production of electronic equipment for military use, and manufactures and sells wire products, electro-mechanical relays and certain metal products. **Proceeds**—To the selling stockholders. **Office**—825 Bronx River Avenue, New York City. **Underwriter**—None. **Note**—This stock will not be offered publicly.

M. B. C. Nome Co.

Dec. 19, 1960 (letter of notification) 18,000 shares of convertible preferred stock. **Price**—At par (\$5.75 per share). **Proceeds**—For working capital and expansion. **Office**—61 Renato Court, Redwood City, Calif. **Underwriter**—C. R. Mong & Associates, Menlo Park, Calif.

Management Assistance Inc. (2/20-24)

Dec. 28, 1960 (letter of notification) 60,000 shares of common stock (par 10 cents). **Price**—\$5 per share. **Business**—

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ness—Consulting services and installation of business machines. **Proceeds**—For general corporate purposes. **Office**—40 Exchange Place, New York 5, N. Y. **Underwriter**—Fедerman, Stonehill & Co., New York, N. Y.

Mansfield Industries Inc. (3/27)

Jan. 31, 1961 filed 150,000 shares of common stock of which 50,000 shares will be offered for the account of the issuing company and 100,000 shares, representing outstanding stock, will be offered for the account of the present holders thereof. **Price**—To be supplied by amendment. **Business**—The manufacture of motion picture projectors and related equipment. **Proceeds**—For general corporate purposes, including working capital. **Office**—1227 West Loyola Ave., Chicago, Ill. **Underwriter**—McDonnell & Co., Inc., New York City (managing).

Marine & Electronics Manufacturing Inc.

Sept. 22, 1960 (letter of notification) 100,000 shares of common stock class A (par 10 cents). **Price**—\$3 per share. **Proceeds**—For expenses in the fabrication of sheet metal parts for missiles, rockets, radar and marine items. **Address**—Hagerstown, Md. **Underwriter**—Batten & Co., Washington, D. C.

Marine Structures Corp.

Feb. 1, 1961 filed 100,000 shares of 1c par common stock. **Price**—\$3 per share. **Office**—204 E. Washington St., Petaluma, Calif. **Underwriter**—Grant Fontaine & Co., Oakland 12, Calif.

Marley Co. (3/8)

Jan. 25, 1961 filed 100,996 shares of common stock (\$2 par), of which 75,000 shares are to be offered for public sale and 25,996, being outstanding stock, by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The manufacture, sale and maintenance of water cooling towers, and the manufacture and sale of air cooled refrigerant condensers, marketed under the trade name "DriCooler." **Office**—222 West Gregory Blvd., Kansas City, Mo. **Underwriter**—White, Weld & Co., New York City (managing).

Marmac Industries, Inc.

Dec. 22, 1960, filed 108,000 shares of common stock. **Price**—\$4.50 per share. **Business**—The manufacture and sale of wood cabinets. **Proceeds**—For general business purposes. **Office**—Wenonah, N. J. **Underwriter**—Metropolitan Securities, Inc., Philadelphia (managing). **Offering**—Expected in February.

Medco, Inc.

Dec. 19, 1960 (letter of notification) 60,000 shares of class A common stock (par 10 cents). **Price**—\$5 per share. **Proceeds**—To open new licensed departments in 1961. **Office**—211 Altman Building, Kansas City, Mo. **Underwriter**—Midland Securities Co., Inc., Kansas City, Mo.

Mensh Investment & Development Associates, Inc.

Nov. 17, 1960, filed (1) \$1,100,250 of 8% convertible subordinated debentures, due Sept. 1, 1970, and 36,675 shares of capital stock (par \$1) to be offered in units of \$750 of debentures and 25 shares of stock; (2) \$969,000 of debentures and 32,300 shares of stock to be offered for subscription by stockholders and (3) approximately \$142,860 of 8% debentures due Sept. 1, 1970 and not to exceed 5,000 shares of stock to be offered in exchange for the 6% debentures, due March, 1961, of its subsidiary, Mentor Investments, Inc. **Price**—(1) \$1,100 per unit; (2) 100% per debenture and \$10 per share of stock. **Business**—The principal assets of the company are an office building at 1910 K St., N. W., Washington, D. C. **Proceeds**—To retire certain obligations; make improvements on property; retire debentures due 1961, and to construct or acquire income producing properties. **Office**—1625 Eye St., N. W., Washington, D. C. **Underwriter**—None.

Mercury Electronics Corp. (2/27-3/3)

Dec. 30, 1960 (letter of notification) 100,000 shares of common stock (par five cents). **Price**—\$3 per share. **Business**—Manufacturers of testing equipment. **Proceeds**—For general corporate purposes. **Address**—Mineola, L. I., N. Y. **Underwriter**—S. Schramm & Co. Inc., New York City.

Mesabi Iron Co.

Jan. 10, 1961 filed 180,000 shares of capital stock, to be offered for subscription by the company's stockholders. **Price**—To be supplied by amendment. **Proceeds**—To establish a reserve for 1960 tax payments. **Office**—452 Fifth Ave., New York City. **Underwriter**—None. **Note**—Feb. 1 it was reported that the company is awaiting a tax ruling, subsequent to which a decision will be made as to whether or not the offering will be made.

Metropolitan Securities, Inc.

Nov. 17, 1960 (letter of notification) 100,000 shares of class A common stock (par \$1). **Price**—\$3 per share. **Proceeds**—For working capital. **Office**—919-18th St., N. W., Washington, D. C. **Underwriter**—Metropolitan Brokers, Inc., Washington, D. C. **Offering**—Expected sometime in March.

Midwestern Acceptance Corp.

Sept. 8, 1960, filed 1,169,470 shares of common stock and \$994,050 of 6% debentures, to be offered for public sale in units of one share of stock and 85¢ of debentures. **Price**—\$1 per unit. **Business**—The company will do interim financing in the home building industry. **Proceeds**—To start its lending activities. **Address**—P. O. Box 886, Rapid City, S. D. **Underwriter**—None.

Milo Electronics Corp. (2/27)

Dec. 27, 1960 filed 150,000 shares of common stock. **Price**—\$5 per share. **Business**—The company is a wholesaler and distributor of electronic equipment. **Proceeds**—For debt reduction, inventory and general corporate pur-

poses. **Office**—530 Canal Street, New York City. **Underwriter**—Myron A. Lomasney & Co., New York City (managing).

Mineral Concentrates & Chemical Co., Inc.

Nov. 10, 1960 filed 75,000 shares of common stock. **Price**—\$5 per share. **Business**—Production of beryllium oxide. **Proceeds**—To pay two corporate notes; plant improvements; research and experimentation with flotation process; and working capital. **Office**—1430 First National Bank Bldg., Denver, Colo. **Underwriter**—None.

Minitone Electronics, Inc. (3/1)

Jan. 11, 1961 filed 185,000 shares of common stock for public offering. **Price**—\$3 per share. **Business**—The firm was organized last March for the purpose of making and selling small DC motors and certain consumer products using such motors. **Proceeds**—For debt reduction and general corporate purposes, including working capital. **Office**—55 W. 13th St., New York City. **Underwriter**—None.

Mobile Credit Corp.

Sept. 14, 1960 filed 25,874 shares of common stock and 1,000 shares of \$100 par 6% cumulative convertible preferred stock. The stock will be offered for subscription by shareholders of record on the basis of two shares of new common for each three such shares held and one share of new preferred for each 38.81 common shares held, the record date in each case being Sept. 1, 1960. **Prices**—For common, \$10 per share; for preferred, \$100 per share. **Business**—The purchase of conditional sales contracts from dealers in property so sold, such as mobile homes, trailers, boats, and motorcycles. **Proceeds**—For working capital. **Office**—100 E. Michigan Ave., Jackson, Mich. **Underwriter**—None.

Model Finance Service, Inc. (2/20-24)

May 26 filed 100,000 shares of second cumulative preferred stock—65¢ convertible series, \$5 par—and \$1,000,000 of 6½% junior subordinated debentures, due 1975. **Price**—To be supplied by amendment. **Proceeds**—To be added to the company's general working funds. **Office**—202 Dwight Building, Jackson, Mich. **Underwriter**—Paul C. Kimball & Co., Chicago, Ill.

Modern Furniture, Inc.

Jan. 12, 1961 (letter of notification) 300,000 shares of class A common stock. **Price**—At par (\$1 per share). **Proceeds**—To purchase furniture and for working capital. **Office**—First National Bank Building, Denver, Colo. **Underwriter**—Equity General Investment Corp., First National Bank Bldg., Denver, Colo.

Modern Materials Corp.

Jan. 4, 1961 filed 150,000 shares of common stock, of which 50,000 will be offered for sale by the company and the remaining 100,000, being outstanding stock, by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The manufacture and distribution of aluminum and asphalt siding and related accessories. **Proceeds**—For the repayment of loans and for general corporate purposes. **Office**—7018 South Street, Detroit, Mich. **Underwriter**—Smith, Hague & Co., Detroit (managing).

Mohawk Insurance Co. (2/27)

Aug. 8, 1960, filed 75,000 shares of class A common stock. **Price**—\$12 per share. **Proceeds**—For general funds. **Office**—198 Broadway, New York City. **Underwriter**—R. F. Dowd & Co., Inc., 39 Broadway, New York 6, N. Y.

Mokan Small Business Investment Corp., Inc.

Jan. 17, 1961 filed 3,000 shares of common stock. **Price**—\$100 per share. **Business**—The company was organized under Kansas law in October 1960 and is applying to the Small Business Administration for a Federal license to operate as a small business investment company. **Proceeds**—For general corporate purposes. **Office**—719 Walnut St., Coffeyville, Kan. **Underwriter**—None.

Monarch Electronics International, Inc.

Oct. 31, 1960 filed 200,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company, organized in 1958 under the name Arrow Electronics International, Inc., imports and sells electronic and high fidelity parts and equipment. **Proceeds**—To retire bank loans and for working capital. **Office**—7035 Laurel Canyon Boulevard, North Hollywood, Calif. **Underwriter**—Pacific Coast Securities Co., 240 Montgomery Street, San Francisco, Calif. **Offering**—Expected in late February.

Mortgage Guaranty Insurance Co. (2/20-24)

Oct. 17, 1960 filed 155,000 shares of common stock (par \$1). **Price**—To be supplied by amendment. **Business**—Insuring lenders against loss on residential first mortgage loans, principally on single family non-farm homes. **Proceeds**—For capital and surplus. **Office**—606 West Wisconsin Avenue, Milwaukee, Wis. **Underwriter**—Bache & Co., New York City (managing). **Note**—This stock is not qualified for sale in New York State.

Mother's Cookie Co.

Feb. 6, 1961 filed 135,000 outstanding shares of no par common stock. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of packaged cookies. **Proceeds**—To the selling stockholder. **Office**—2287 Ralph Avenue, Louisville, Ky. **Underwriter**—Drexel & Co., Philadelphia, Pa. (managing).

Municipal Investment Trust Fund, Series A

Sept. 1, 1960 filed \$20,000,000 of interest in the Fund to be offered in 20,000 units. **Business**—The Fund will purchase tax-exempt securities of states, municipalities, counties and territories of the United States. **Sponsor**—Ira Haupt & Co., 111 Broadway, New York City. **Note**—This statement was effective on Feb. 14.

National Airlines, Inc.

Sept. 21, 1960 filed \$10,288,000 of convertible subordinated debentures, due 1975, to be offered for subscription by holders of the outstanding common stock on the basis of \$100 of debentures for each 18 common shares

held. **Price**—To be supplied by amendment. **Business**—Domestic and international transport of persons, property, and mail. **Proceeds**—To make payments on planes and reduce short-term indebtedness, with the balance for general corporate purposes. **Office**—Miami International Airport, Miami, Fla. **Underwriter**—Lehman Brothers, New York City (managing). **Offering**—Expected in March.

National Equipment Rental, Ltd.

Dec. 20, 1960 filed 114,000 shares of common stock being offered for subscription by common stockholders of record Feb. 6, on the basis of 6 new shares for each share then held, with rights to expire on Feb. 28. **Price**—\$10 per share. **Business**—The rental or leasing of equipment to business organizations, including production, processing, and packaging machinery. **Office**—1 Plainfield Ave., Elmont, N. Y. **Underwriter**—Burnham & Co., New York (managing).

National Food Marketers, Inc.

Jan. 27, 1961 filed 100,000 shares of common stock. **Price**—\$4 per share. **Business**—The company is engaged in the processing and packaging of quick-frozen, prepared seafood meat and poultry for use by restaurants and institutions and frozen ready-to-heat meals for distribution through vending machines. **Proceeds**—To repay loans; purchase additional machinery; establish a food laboratory, and for advertising, promotion, and working capital. **Office**—Blue Anchor, N. J. **Underwriter**—Robert Edelstein Co., Inc., New York City. **Offering**—Expected in late February.

National Western Insurance & Growth Fund, Inc.

Jan. 27, 1961 filed 111,000 shares of common stock, of which 11,000 will first be offered to not more than 25 persons and the remaining 100,000 will be offered for public sale. **Price**—\$9.15 per share (for the 11,000 shares), and \$10 per share (for the 100,000 shares). **Business**—The company was organized under Delaware law in August 1960 to invest in companies believed to have growth possibilities, especially in the life insurance field. **Proceeds**—For investment. **Office**—737 Grant St., Denver, Colo. **Distributor**—National Western Management Corp., Denver, Colo.

New Western Underwriting Corp.

Oct. 25, 1960 filed \$2,000,000 of 15-year 6% subordinated convertible debentures. **Business**—The company which was organized in August, 1959, is developing, through subsidiaries, a dealer-recourse finance business and a life insurance business. **Proceeds**—For expansion. **Price**—At par. **Office**—Helena, Mont. **Underwriter**—Wilson, Ehli, Demos, Bailey & Co., Kook Bldg., 3203 3rd Ave., North Billings, Mont.

Normandy Oil & Gas, Inc.

Aug. 31, 1960 filed 750,000 shares of common stock. **Price**—\$1 per share. **Business**—Oil and gas exploration and production. **Proceeds**—For general corporate purposes. **Office**—620 Oil & Gas Bldg., Wichita Falls, Texas. **Underwriter**—None, but 102,500 of the shares are reserved for commissions to selling brokers at the rate of 15 shares for each 100 shares sold.

Northfield Precision Instrument Corp.

Dec. 27, 1960 (letter of notification) 24,428 shares of common stock (par 10 cents). **Price**—At-the-market (not more than \$2 per share). **Business**—Manufacturers of precision instruments in electronic, aircraft and missile industries. **Proceeds**—To go to underwriter. **Office**—4400 Austin Blvd., Island Park, L. I., N. Y. **Underwriter**—Robert Edelstein Co., Inc., New York, N. Y. **Offering**—Imminent.

Nytronics, Inc.

Jan. 27, 1961 filed 100,000 shares of capital stock. **Price**—To be supplied by amendment. **Business**—The company is engaged in the development, design, production and sale of electronic components for use in communications equipment, missiles, commercial computers, servos, commercial radio and television, data-handling, navigational, and industrial control equipment. **Proceeds**—For expansion, new equipment, and working capital. **Office**—550 Springfield Ave., Berkeley Heights, N. J. **Underwriter**—Norton, Fox & Co., Inc., New York City (managing). **Offering**—Expected in late March.

Ohio-Franklin Fund, Inc.

Feb. 3, 1961 filed 2,000,000 shares of common stock to be offered to investors through a tax-free exchange of shares for securities of a selected list of companies. **Exchange Price**—Net asset value (expected to be \$10 per share). **Business**—A new fund which provides a medium through which holders of blocks of securities may obtain diversification and continuous professional investment management without incurring Federal capital gains tax liability upon the exchange. **Proceeds**—For investment. **Office**—51 North High St., Columbus, O. **Distributor**—The Ohio Co., Columbus, O.

P. & C. Food Markets, Inc.

Dec. 23, 1960 filed 40,000 shares of common stock of which 32,000 will be offered for sale to public and 8,000 to employees. **Price**—\$12.50 per share (to public). **Business**—The operation of a chain of 46 retail self-service food and grocery supermarkets in central New York State. **Proceeds**—For inventories for five new stores and for general corporate purposes. **Office**—Geddes, New York. **Underwriter**—First Albany Corp., Albany, New York (managing).

Packard Instrument Co., Inc.

Feb. 13, 1961 filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The firm is engaged in the development, manufacture and sale of scientific instruments. **Proceeds**—For general corporate purposes, including research and debt reduction. **Office**—Lyons, Ill. **Underwriter**—A. G. Becker & Co. Inc., Chicago, Ill. (managing).

Palm Developers Limited (2/27-3/3)

Sept. 8, 1960, filed 100,000 shares of common stock (par 1 shilling). **Price**—\$3 per share. **Business**—The company intends to deal in land in the Bahamas. **Proceeds**—To buy land, and for related corporate purposes. **Office**—6 Terrace, Centerville, Nassau, Bahamas. **Underwriter**—David Barnes & Co., Inc., New York City.

Falamar Mortgage Co. (2/17-21)

Dec. 15, 1960 filed \$1,000,000 of subordinated convertible debentures, due 1975. **Price**—At 100% of principal amount. **Business**—The obtaining, arranging and servicing of real estate loans. **Office**—5th & University Aves., San Diego, Calif. **Proceeds**—To retire bank loans and for working capital. **Underwriter**—J. A. Hogle & Co., Salt Lake City (managing).

Pantex Manufacturing Corp.

Dec. 27, 1960 filed 513,299 shares of capital stock, of which 307,222 shares are to be offered for the account of the issuing company and 206,077 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. The stock being offered for the company is a rights offering; one new share will be offered for each three capital shares held. **Price**—To be supplied by amendment. **Proceeds**—For the purchase of 200,000 shares of Tel-A-Sign, Inc. for \$450,000, said shares to be distributed as a dividend to shareholders, with the balance for general corporate purposes, including working capital. **Office**—Central Falls, R. I. **Underwriter**—None.

Pearce-Simpson, Inc.

Dec. 30, 1960 filed \$1,800,000 of outstanding 6% convertible debentures due April 1, 1970; 200,000 shares of common stock reserved for issuance upon conversion of the debentures; 145,938 outstanding shares of common stock; 72,500 outstanding warrants for the purchase of common shares and a like number of underlying shares. **Business**—The manufacture of radio telephones. **Proceeds**—To the selling stock and debenture holders. **Office**—2295 N. W. 14th Street, Miami, Fla. **Underwriter**—None.

Pecos Land & Development Co., Inc.

Jan. 31, 1961 filed 4,000,000 shares of common stock, of which 500,000 are to be offered for public sale by officers of the company at \$1 per share; 1,897,661 shares are to be exchanged for various assets and businesses, and may be offered for sale by the holders; and 914,574 shares may be issued by the company from time to time in the acquisition of additional properties. **Business**—The acquiring, holding, developing and selling of land, and oil and gas and mining properties, all located principally in the Southwestern and Rocky Mountain regions of the United States. **Proceeds**—For general corporate purposes. **Office**—207 Shelby St., Santa Fe, New Mexico. **Underwriter**—None.

Personal Property Leasing Co.

Jan. 24, 1961 filed 150,000 shares of capital stock. **Price**—\$6.50 per share. **Business**—The company is engaged in the business of leasing a variety of equipment and machinery to industrial and commercial firms to meet their specific requirements. **Proceeds**—For additional working capital. **Office**—6381 Hollywood Blvd., Los Angeles, Calif. **Underwriter**—Dempsey-Tegeler & Co., St. Louis (managing). **Offering**—Expected in early Mar.

Philadelphia Aquarium, Inc.

Oct. 14, 1960 filed \$1,700,000 of 6% debentures due 1975 and 170,000 shares of capital stock (par 50 cents) to be offered in units, each consisting of one \$100 debenture and 10 shares of stock. **Price**—\$150 per unit. **Business**—Operation of an aquarium in or about Philadelphia. **Proceeds**—To acquire ground and to construct an aquarium building or buildings. **Office**—2635 Fidelity-Philadelphia Trust Building, Philadelphia, Pa. **Underwriter**—Stroud & Co., Inc., Philadelphia, Pa.

★ Plastics Corp. of America, Inc.

Feb. 9, 1961 filed 800,000 shares of common stock, of which 650,000 shares are to be offered first in exchange for outstanding 5% notes on the basis of one share for each \$1 principal amount of 5% note with the remaining 150,000 shares, together with any of the 650,000 shares not issued in the exchange, to be offered publicly. **Price**—\$1 per share. **Business**—The company was organized under Minnesota law in November 1960 to provide a vehicle for the acquisition of companies engaged in the fields of plastics, rubber and related materials. **Proceeds**—To retire the above notes, open a plant in the Minneapolis-St. Paul area and provide working capital for any newly acquired companies. **Office**—1234 Baker Bldg., Minneapolis, Minn. **Underwriter**—None.

Polychrome Corp.

Dec. 29, 1960 filed 125,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The design and manufacture of offset printing supplies and mimeograph stencils. **Proceeds**—For new facilities and new products and for working capital. **Office**—2 Ashburton Ave., Yonkers, N. Y. **Underwriter**—Westheimer & Co., Cincinnati (managing). **Offering**—Expected in late Mar.

Popell (L. F.) Co.

Nov. 18, 1960 filed 99,996 shares of common stock to be offered for subscription by common stockholders at the rate of one share for each three shares of common stock held. **Price**—To be supplied by amendment. **Business**—Distribution, sale and installation of building, insulating and acoustical products. **Proceeds**—For plant construction; expansion of its distribution of Perma-Glaze and working capital. **Office**—2501 Northwest 75th Street, Miami, Fla. **Underwriter**—To be supplied by amendment.

Porce-Cote Research & Development Corp.

Nov. 18, 1960 (letter of notification) 50,000 shares of class A stock (par 10 cents). **Price**—\$5 per share. **Business**—Research and development of chemical products.

Proceeds—For general corporate purposes. **Office**—336 Uniondale Ave., Uniondale, N. Y. **Underwriter**—Suburban Investors Corp., Uniondale, N. Y.

Presidential Realty Corp.

Jan. 30, 1961 filed 150,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company was organized under Delaware law in January, 1961, to acquire the outstanding stock of the Shapiro Co., which is engaged in the development of real estate projects of various types. **Proceeds**—For construction; acquisition of properties; development of projects; and reduction of bank debt. **Office**—180 South Broadway, White Plains, N. Y. **Underwriter**—Burnham & Co., New York City (managing). **Offering**—Expected in mid-March.

Progress Webster Electronics Corp.

Jan. 13, 1961 filed 150,000 shares of common stock. **Price**—\$4.50 per share. **Business**—The company and its subsidiaries are engaged in the business of manufacturing, distributing and developing electronic equipment and components and related products for residential, commercial and military use. **Proceeds**—For working capital. **Office**—10th Street, and Morton Avenue, Chester, Pa. **Underwriter**—Marron, Sloss & Co., Inc., New York City (managing). **Offering**—Expected in late March to early April.

Publishers Company, Inc.

Jan. 27, 1961 filed 220,000 shares of common stock. **Price**—\$10 per share. **Business**—The company and its subsidiaries are engaged in the business of selling and financing books sales. **Proceeds**—To acquire the assets of Books, Inc., 1140 Broadway, New York City; to invest in a new District of Columbia company, Books, Inc.; to invest additional funds in a subsidiary; to finance installment sales contracts receivable and for working capital. **Office**—1116 18th St., N. W., Washington, D. C. **Underwriters**—Amos Treat & Co., Inc., New York City and Roth & Co., Inc., Philadelphia, Pa. (managing). **Offering**—Expected sometime in April.

★ Puget Sound Power & Light Co.

Jan. 13, 1961 filed 326,682 common shares being offered to common stockholders on the basis of one new share for each 10 shares held of record Feb. 15 with rights to expire March 6. **Price**—\$33.75 per share. **Proceeds**—To repay bank loans and for construction. **Office**—1400 Washington Building, Seattle, Wash. **Underwriters**—Blyth & Co., Inc., and Merrill Lynch, Pierce, Fenner & Smith Inc., both of New York City (managing).

★ R F Communications Associates, Inc.

Feb. 6, 1961 (letter of notification) 150,000 shares of common stock (par five cents). **Price**—\$1 per share. **Business**—Electronics communications and electronics business in general. **Proceeds**—For a plant and fixtures, development of a transceiver, research and development, inventory and working capital. **Office**—737 Powers Bldg., Rochester 14, N. Y. **Underwriter**—None.

Radar Measurements Corp. (2/27-3/3)

Jan. 19, 1961 (letter of notification) 85,700 shares of common stock (par \$1). **Price**—\$3.50 per share. **Business**—Manufacturers of electronic equipment. **Proceeds**—For general corporate purposes. **Office**—190 Duffy Ave., Hicksville, N. Y. **Underwriter**—Blaha & Co., Inc., 29-28 41st Avenue, Long Island City 1, N. Y. **Note**—This is a refiling of a letter that was originally filed on Sept. 28, 1960.

★ Rajac Self-Service, Inc. (2/20-24)

Nov. 15, 1960 filed 154,375 shares of common stock (10c par). **Price**—\$3 per share. **Proceeds**—\$30,000 will be used to pay an outstanding note, \$87,500 will be used for the acquisition, constructing, and equipping of an additional plant, \$22,500 will be used to cover the expenses of offering the stock, and the balance will be used to reduce indebtedness and purchase equipment. **Office**—Mt. Vernon, N. Y. **Underwriter**—The James Co., 369 Lexington Avenue, New York 17, N. Y.

★ Ram Electronics, Inc. (3/15)

Dec. 28, 1960 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—\$4 per share. **Business**—Manufacturers of electronic and replacement parts for television receivers and other electrical circuits. **Proceeds**—For general corporate purposes. **Office**—600 Industrial Ave., Paramus, N. J. **Underwriter**—Plymouth Securities Corp., New York, N. Y.

★ Random House, Inc. (3/6-10)

Jan. 27, 1961 filed 121,870 outstanding shares of common stock, to be offered for public sale by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The company and its subsidiaries are in the business of publishing and distributing a wide variety of books. **Proceeds**—For the selling stockholders. **Office**—457 Madison Ave., New York City. **Underwriter**—Allen & Co., New York City (managing).

★ Real Estate Market Place, Inc.

Dec. 20, 1960, filed 50,000 shares of class A common stock, of which 12,903 shares will be exchanged for real property and the balance of 37,097 shares sold publicly, together with 50 shares of class B common stock. **Price**—\$100 per share for each class. **Proceeds**—To pay costs and expenses incidental to the company's organization and operation. **Office**—1422 Sixth Ave., San Diego, Calif. **Underwriter**—None. **Note**—This statement was withdrawn on Feb. 13.

Realty Collateral Corp.

Dec. 12, 1960 filed \$20,000,000 of collateral trust notes, series A, due 1981. **Price**—To be supplied by amendment. **Business**—The company was organized in September, 1960 to invest in real property mortgages insured under Title II of the National Housing Act. **Proceeds**—For general business purposes. **Office**—444 Madison Ave., New York, N. Y. **Underwriter**—None.

Rego Insulated Wire Corp. (3/15)

Jan. 30, 1961 filed 200,000 shares of common stock, of which 180,000 shares are to be offered for public sale by the company and 20,000, being outstanding stock, by the present holders thereof. **Price**—\$4.50 per share. **Business**—The company is engaged in the manufacture of insulated wire and cable, garden hose and garden supply items, television antennas, plastic toys and doll bodies; and has recently commenced the production of thermoplastic compounds for use in its own manufacturing operations, as well as for resale to other manufacturers. **Proceeds**—For the repayment of loans and for working capital. **Office**—830 Monroe Street, Hoboken, N. J. **Underwriter**—Russell & Saxe, Inc., New York City, (managing).

★ Renwell Electronics Corporation of Delaware (3/6-10)

Jan. 9, 1961 filed 100,000 shares of common stock. **Price**—\$4 per share. **Business**—The company was organized in December, 1960, to acquire all of the outstanding stock of Renwell Electronic Corp., a manufacturer of electronic assemblies and various other electronic components. **Proceeds**—For new equipment, plant expansion and working capital. **Office**—129 South State Street, Dover, Del. **Underwriter**—William David & Motti, Inc., New York City.

Richmond-Eureka Mining Co.

Jan. 24, 1961 filed 103,133 shares of capital stock, to be offered to stockholders for subscription on the basis of one new share for each three shares held. **Price**—To be supplied by amendment. **Business**—The operation of mining properties near Eureka, Nev. **Proceeds**—To repay loans from U. S. Smelting, Refining & Mining Co. **Office**—75 Federal St., Boston, Mass. **Underwriter**—None.

★ Rixon Electronics, Inc. (2/27-3/3)

Dec. 30, 1960 filed 115,000 shares of capital stock. **Price**—To be supplied by amendment. **Business**—The company is a custom electronics engineering and development concern engaged in the development and production of specialized electronic equipment for use in modern communications, instrumentation, data processing and other electronic systems. **Proceeds**—To repay indebtedness and for working capital. **Office**—2414 Reedie Drive, Silver Spring, Md. **Underwriter**—Auchincloss, Parker & Redpath, Washington, D. C.

★ Roblin-Seaway Industries, Inc. (3/6-10)

Dec. 29, 1960 filed 80,000 shares of class A stock. **Price**—\$6 per share. **Business**—Organized under New York law in December 1960, the company will be consolidated with, and carry on the business of Roblin, Inc., which buys and sells scrap steel and other ferrous and non-ferrous metals and Seaway Steel Corp., which operates a rolling mill producing bars, rods and other shapes of steel and nickel. The company will also have interests ranging from 50% to 76% in a demolition contractor, a lessor of demolition equipment, a stevedoring business, a metals broker and a manufacturer of rolled nickel anodes and other rolled nickel products. **Proceeds**—For general corporate purposes. **Office**—1437 Bailey Ave., Buffalo, N. Y. **Underwriter**—Brand, Grumet & Seigel, Inc., New York City (managing).

Rocket Research Corp.

Jan. 19, 1961 filed 300,000 shares of common stock. **Price**—\$2.25 per share. **Business**—The company is engaged in research on new high energy propellant systems, the development of a miniature rocket for application to satellite and space vehicles and in the preparation of proposals which have been submitted to certain governmental agencies. **Proceeds**—For general corporate purposes. **Office**—233 Holden Street, Seattle, Wash. **Underwriter**—Craig-Hallum, Inc., Minneapolis, Minn.

Roulette Records, Inc.

Aug. 29, 1960 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—\$3 per share. **Business**—The manufacture and distribution of long-playing records. **Proceeds**—For debt retirement and general corporate purposes. **Office**—1631 Broadway, New York City. **Underwriter**—A. T. Brod & Co., New York, N. Y.

★ (G. T.) Schjeldahl Co.

Nov. 28, 1960 filed \$765,000 of 5½% convertible subordinated debentures, due 1971 being offered to holders of the outstanding common stock of record Feb. 3 on basis of \$100 principal amount of debentures for each 100 common shares held with rights to expire on Feb. 21. **Price**—100% of principal amount. **Business**—The research, development and production of plastics and electronic instrumentation systems. **Proceeds**—For working capital, the acquisition and development of Plymouth Industrial Products, Inc., Sheboygan, Wis., and for expansion. **Office**—Northfield, Minn. **Underwriter**—Craig-Hallum, Inc., Minneapolis, Minn. (managing).

Schludberg-Kurdle Co., Inc.

Jan. 25, 1961 filed 20,000 shares of non-voting common stock. **Price**—To be supplied by amendment. **Business**—Meat packing and related operations. **Proceeds**—For plant modernization and working capital. **Office**—3800 East Baltimore St., Baltimore, Md. **Underwriter**—Alex. Brown & Sons, Baltimore, Md. (managing). **Offering**—Expected in early March.

★ Screen Gems, Inc.

Dec. 8, 1960 filed 288,400 shares of common stock (\$1 par) being offered for subscription by common stockholders of record Feb. 9 of Columbia Pictures Corp., holder of all outstanding shares on the basis of one share of Screen Gems for each five shares of Columbia Pictures, and for subscription on the same basis by participating employees under the Columbia Pictures Corp. Employees' Stock Purchase Plan, with rights to expire on Feb. 23. **Price**—\$9 per share. **Business**—The production and distribution of television feature films, shorts and com-

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mericals. Proceeds—For general business purposes and the making of payments to Columbia Pictures as required under the operating agreement. **Office**—711 Fifth Avenue, New York, N. Y. **Underwriting**—Hemphill, Noyes & Co., and Hallgarten & Co., both of New York City.

★ **Sealander, Inc. (3/6-10)**

Dec. 19, 1960 (letter of notification) 150,000 shares of class A common stock (par 10 cents). **Price**—\$2 per share. **Proceeds**—To start operations in manufacturing and selling boats. **Office**—2228 McElderry Street, Baltimore 5, Md. **Underwriter**—Robinette & Co., Inc., Baltimore, Md.

★ **Search Investments Corp. (3/1)**

Jan. 4, 1961 filed 1,000,000 shares of common stock. **Price**—\$1 per share. **Business**—A non-diversified closed-end investment company. **Proceeds**—For working capital and for investments. **Office**—1620 Rand Tower, Minneapolis, Minn. **Underwriter**—None.

★ **Securities Credit Corp.**

Jan. 27, 1961 filed \$3,000,000 of 6% series A subordinated debentures. **Price**—100% of principal amount. **Business**—The company and its subsidiaries are engaged in the retail financing of new and used automobiles, mobile homes, appliances, furniture and farm equipment for purchasers, and the wholesale financing of dealers' inventories of such automobiles and direct lending to consumers, and the writing of automobile, credit life, and other types of insurance. **Proceeds**—For working capital. **Office**—1100 Bannock St., Denver, Colo. **Underwriter**—None.

★ **Shareholder Properties, Inc.**

Dec. 2, 1960 (letter of notification) 40,000 shares of class A common stock (par \$1). **Price**—\$7.50 per share. **Proceeds**—For working capital. **Office**—2540 Huntington Dr., San Marino, Calif. **Underwriter**—Blalack & Co., San Marino, Calif.

★ **Shepherd Electronic Industries, Inc. (2/20-24)**

Jan. 18, 1961 (letter of notification) 78,000 shares of common stock (par 10 cents). **Price**—\$2 per share. **Proceeds**—For working capital. **Office**—9821 Foster Avenue, Brooklyn, N. Y. **Underwriter**—D. Klapper Associates, Inc., New York, N. Y.

★ **Sherburne Corp.**

Jan. 26, 1961 (letter of notification) 200 units consisting of two shares of common stock (par 50 cents) and one 20-year 6% cumulative fully registered subordinated debenture; 200 rights. **Price**—Of units, \$1,000 per unit; of rights, \$62.50 per right. **Proceeds**—For working capital. **Address**—Sherburne, Vt. **Underwriter**—Kennedy-Peterson, Inc., Hartford, Conn.

★ **Shinn Industries Inc.**

Nov. 29, 1960 filed 150,000 shares of common stock. **Price**—\$6 per share. **Business**—The manufacture, assembly and sale of aircraft and missile components and the construction of industrial and research facilities. **Proceeds**—To repay a bank loan, for expansion and inventory, and for working capital. **Office**—Wilmington, Del. **Underwriter**—Myron A. Lomasney & Co., New York City. **Offering**—Imminent.

★ **Shore-Calnevar, Inc. (2/21)**

Nov. 25, 1960 filed 200,000 common shares, of which 100,000 shares will be offered for public sale by the company and 100,000, being outstanding shares, by present stockholders. **Price**—To be supplied by amendment. **Business**—Designs and produces automobile hub caps, washroom dispensers and other janitorial supplies. **Proceeds**—To repay outstanding bank loans and to increase inventories. **Office**—7701 East Compton Boulevard, Paramount, Calif. **Underwriter**—H. Hentz & Co. and Federman, Stonehill & Co., both of New York City (managing).

★ **Shoup Voting Machine Corp.**

Jan. 27, 1961 filed 110,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company is engaged in the assembly, manufacture, sale and repair of voting machines and toll collection devices and auxiliary equipment. **Proceeds**—For the reduction of debt and for working capital. **Office**—41 East 42nd St., New York City. **Underwriter**—Burnham & Co., New York City (managing). **Offering**—Expected in mid-March.

★ **Simplex Lock Corp.**

Feb. 8, 1961 (letter of notification) 100,000 shares of common stock (par \$1). **Price**—\$3 per share. **Business**—Selling a new type of security device called the Push Button Lock. **Proceeds**—For expenses of offering and to pay Scovill Manufacturing Co. for initial costs of tooling up for production. **Office**—150 Broadway, New York, N. Y. **Underwriters**—Charles Plohn & Co., and B. W. Pizzini & Co., both of New York, N. Y.

★ **Simplex Wire & Cable Co. (2/23-24)**

Sept. 28, 1960 filed 118,000 shares of outstanding capital stock. **Price**—To be supplied by amendment. **Office**—Cambridge, Mass. **Underwriter**—Paine, Webber, Jackson & Curtis, New York City (managing).

★ **Solite Products Corp. (2/27-3/3)**

Dec. 8, 1960, filed 750 units, consisting in the aggregate of \$225,000 principal amount of 7% debentures due February, 1968, and 75,000 shares of common stock to be offered in units of \$100 of debentures and 100 common shares. **Price**—\$300 per unit. **Business**—The design, manufacture and sale of advertising signs, displays and miscellaneous plastic items. **Proceeds**—For general business purposes, including the purchase of tools, dies and equipment; for research, sales and inventory and for additional working capital. **Office**—375 East 163rd St., New York, N. Y. **Underwriter**—William David & Mottl, Inc., New York City.

★ **Southwestern Oil Producers, Inc.**

March 23 filed 700,000 shares of common stock. **Price**—\$2 per share. **Proceeds**—For the drilling of three wells and the balance for working capital. **Office**—2720 West Mockingbird Lane, Dallas. **Underwriter**—Elmer K. Aagaard, 6 Salt Lake Stock Exchange Bldg., Salt Lake City, Utah.

★ **Southwestern Public Service Co. (3/22)**

Feb. 9, 1961 filed \$15,000,000 of first mortgage bonds due 1991 and 120,000 shares of cumulative preferred stock (par \$25). **Price**—To be supplied by amendment. **Proceeds**—For the repayment of bank loans and for construction. **Office**—720 Mercantile Dallas Bldg., Dallas, Tex. **Underwriter**—Dillon, Read & Co., New York City (managing).

★ **Stancil-Hoffman Corp.**

Sept. 30, 1960 filed 150,000 shares of capital stock. **Price**—\$2 per share. **Business**—The research, development, manufacture, and sale of magnetic recording equipment. **Office**—921 North Highland Ave., Hollywood, Calif. **Underwriter**—Pacific Coast Securities Co., San Francisco, Calif. **Offering**—Expected in late February.

★ **Standard & Shell Homes Corp. (2/27-3/3)**

Nov. 1, 1960 filed 210,000 shares of common stock and \$350,000 of 9% subordinated sinking fund debentures, due Nov. 1, 1985, with warrants to be offered in 35,000 units consisting of six common shares, a \$10 debenture, and two warrants. **Price**—\$17.50 per unit. **Proceeds**—For construction, mortgage funds, and working capital. **Office**—Miami Beach, Fla. **Underwriters**—Aetna Securities Corp. and D. Gleich Co., both of New York City, and Roman & Johnson, of Ft. Lauderdale, Fla.

★ **Stelma Inc.**

Feb. 15, 1961 filed 90,000 shares of outstanding common stock. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—Stamford, Conn. **Underwriter**—Amos Treat & Co., Inc., New York City (managing).

★ **Stephen Realty Investment Corp.**

Jan. 16, 1961 filed 1,400,000 shares of beneficial interest, of which 1,000,000 shares will be publicly offered and 400,000 shares are to be exchanged for real estate ventures. **Price**—\$5 per share. **Office**—1930 Sherman St., Denver, Colo. **Underwriter**—Stephen Securities Corp., 710 American National Bank Bldg., Denver, Colo.

★ **Storer Broadcasting Co. (3/1)**

Dec. 30, 1960 filed 263,000 outstanding shares of common stock. **Price**—To be supplied by amendment. **Business**—The company owns and operates five television broadcasting stations, seven radio stations, six F.M. radio broadcasting stations and a daily newspaper. The company, through a subsidiary also owns a majority of the voting stock in The Standard Tube Co., Detroit, Mich., manufacturer of steel tubing and other tubular products. **Proceeds**—To the selling stockholders. **Underwriter**—Reynolds & Co., Inc., New York City (managing).

★ **Straus-Duparquet Inc.**

Sept. 28, 1960 filed 1,000,000 of 7% convertible subordinated debentures, due 1975. **Price**—At par. **Office**—New York City. **Underwriters**—To be supplied by amendment. **Offering**—Expected in late March.

★ **Sunset Color Laboratories, Inc. (3/10-15)**

Jan. 30, 1961 (letter of notification) filed 80,000 shares of common stock (par 1c). **Price**—\$2.25 per share. **Business**—Photo finishing and photographic accessories and supplies. **Proceeds**—For general corporate purposes. **Office**—83 Rockaway Ave., Rockville Center, N. Y. **Underwriter**—Jacey Securities Co., 82 Beaver St., New York City, Professional Executive Planning Inc., Long Beach, N. Y. and Sunshine Securities, Inc., Rego Park, N. Y.

★ **Superstition Mountain Enterprises, Inc.**

Jan. 30, 1961 filed 2,000,000 shares of common stock. **Price**—\$2.50 per share. **Business**—The company was formed in March, 1959 to develop real property at the foot of Superstition Mountain near Apache Junction, Ariz. It has developed part of the property to form the Apacheland Sound Stage and Western Street, architecturally designed for the 1870 period, which is used for the shooting of the motion picture and television productions. **Proceeds**—To purchase and develop additional property. **Office**—Apache Junction, Ariz. **Underwriter**—None.

★ **Swiss Chalet, Inc. (2/27-3/3)**

Jan. 4, 1961 filed 115,000 shares of 70¢ cumulative first preferred stock and 115,000 shares of common stock to be offered in units, each unit to consist of one share of preferred and one share of common. **Price**—\$10 per unit. **Business**—Operates the Swiss Chalet Restaurant in San Juan, Puerto Rico. **Proceeds**—For the construction and furnishing of a seven-story hotel adjacent to the restaurant. **Office**—105 De Diego Avenue, San Juan, Puerto Rico. **Underwriters**—P. W. Brooks & Co., Inc., New York City and Compania Financiera de Inversiones, Inc., San Juan.

★ **"Taro-Vit" Chemical Industries Ltd.**

Nov. 25, 1960 filed 2,500,000 ordinary shares. **Price**—\$0.60 a share payable in cash or State of Israel Bonds. **Business**—The company produces, in Israel, a poultry food supplement, and pharmaceutical and chemical products. **Proceeds**—\$750,000 for expansion; \$170,000 for equipment and working capital; and \$130,000 for repayment of a loan. **Office**—P. O. Box 4859, Haifa, Israel. **Underwriter**—None.

★ **Tax-Exempt Public Bond Trust Fund**

Jan. 16, 1961 filed \$5,000,000 of interests (5,000 units). **Price**—To be computed on the basis of the trustees' evaluation of the underlying public bonds, plus a stated percentage (to be supplied by amendment) and dividing the sum thereof by 5,000. **Business**—The trust was formed by John Nuveen & Co., Chicago, Ill., to invest in

tax-exempt obligations of states, counties, municipalities and territories of the United States. **Sponsor**—John Nuveen & Co., 135 South La Salle Street, Chicago, Ill.

★ **Techmation Corp. (2/27-3/3)**

Jan. 17, 1961 (letter of notification) 87,500 common shares (par one cent). **Price**—\$2 per share. **Business**—The company designs and develops automation machinery through systems of "hoppers," "feeders," and other design innovations for the manufacture of industrial, cosmetic, toy, plastics and other products. The company proposes to adapt its oriented feeding devices to miniature and sub-miniature electronic components manufacture. **Proceeds**—To develop a proprietary line of automatic machinery products, for working capital, to fill orders, for oriented seeding and automation machinery, and for patent applications and the prosecution thereof. **Office**—19-79 Steinway St., Long Island City, New York. **Underwriter**—First Philadelphia Corp., New York City.

★ **Tech-Ohm Electronics, Inc.**

Sept. 6, 1960 (letter of notification) 99,833 shares of common stock (par 10 cents). **Price**—\$3 per share. **Proceeds**—For general corporate purposes. **Office**—36-11 33rd Street, Long Island City, N. Y. **Underwriter**—Edward Lewis Co., Inc., New York, N. Y. **Offering**—Imminent.

★ **TelAutograph Corp.**

Nov. 18, 1961 filed 187,595 shares of common stock (par value \$1), being offered to common stockholders for subscription of record Feb. 9 on the basis of one new share for each three shares then held, with rights to expire on Feb. 23 at 5 p.m. (EST) with an oversubscription privilege. **Price**—\$8.75 per share. **Proceeds**—For initial production expenses of a Telescriber compatible with an A. T. & T. analog subset; for initial production expenses of facsimile equipment to be made by its subsidiary Hogan Faximile Corp., and the balance for the reduction of indebtedness. **Office**—8700 Bellanca Avenue, Los Angeles, Calif. **Underwriters**—Baird & Co., and Richard J. Buck & Co., both of New York City, and Chace, Whiteside & Winslow, Inc., Boston, Mass.

★ **Tele-Graphic Electronics Corp.**

Dec. 16, 1960 (letter of notification) 100,000 shares of common stock (par \$1). **Price**—\$3 per share. **Business**—Patent holding, development, and manufacture of its patentable products in the fields of air conditioning, air pollution control, electronics and plastics. **Proceeds**—For general corporate purposes. **Office**—514 Hempstead Ave., West Hempstead, N. Y. **Underwriter**—Lee Hollingsworth, 514 Hempstead Ave., West Hempstead, N. Y.

★ **Telephone & Electronics Corp. (2/20-24)**

Aug. 18, 1960 (letter of notification) 52,980 shares of common stock (par 25 cents). **Price**—\$5 per share. **Proceeds**—For general corporate purposes. **Business**—Electronic communications equipment and automatic, loud-speaking telephone. **Office**—7 East 42nd St., New York 17, N. Y. **Underwriter**—Equity Securities Co., New York, New York.

★ **Telescript C.S.P., Inc.**

Dec. 23, 1960 (letter of notification) 60,000 shares of common stock. **Price**—\$5 per share. **Business**—The firm makes a prompting machine for television and an electronic tape editor. **Proceeds**—To expand plant and sales force, enter closed circuit television, repay a \$20,000 loan, and for working capital. **Office**—155 West 72nd St., New York City. **Underwriter**—Robert A. Martin Associates, Inc., 680 Fifth Avenue, New York City. **Offering**—Imminent.

★ **Tensor Electric Development Co., Inc. (2/20-24)**

Jan. 5, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—\$3 per share. **Business**—The manufacture and sale of electronic components and instruments. **Proceeds**—For general corporate purposes. **Office**—1873 Eastern Parkway, Brooklyn, N. Y. **Underwriters**—Dresner Co., Michael & Co. (managing), and Satnick & Co., Inc., all of New York City.

★ **Thermo-Dynamics, Inc.**

Dec. 27, 1960 filed 315,089 common shares of which 285,000 shares will be offered for the account of the issuing company are new and 30,089 shares, representing outstanding stock, are to be offered by two officers of the company. **Price**—\$3.50 per share. **Business**—Formerly known as Agricultural Equipment Corp., this company distributes German made Stihl chain saws and Stihl "Go-Kart" gasoline engines; U. S. made tractor attachments and power saws; makes cryogenic gas reclamation and transferral systems, L-P gas thermo-shock weed control devices, portable furnaces, etc. **Proceeds**—For the repayment of debts, for expansion and for working capital. **Office**—1366 W. Oxford Avenue, Englewood, Colo. **Underwriter**—Lowell, Murphy & Co., Inc., Denver, Colo.

★ **Thermogas Co. (3/20-24)**

Jan. 30, 1961 filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company is a distributor of propane and tanks and accessories for the storage and handling of propane gas. **Proceeds**—To repay loans, purchase additional distribution plants and for working capital. **Office**—4509 East 14th St., Des Moines, Iowa. **Underwriter**—A. C. Allyn & Co., Chicago (managing).

★ **Time Finance Corp.**

Dec. 30, 1960 registered \$1,000,000 of 6% convertible subordinated debentures due Jan. 1, 1976 and 150,000 underlying common shares. **Price**—At 100% of principal amount. The debentures will be convertible at prices ranging from \$7.50 per share in January 1961 to \$15 per share in January 1970. **Proceeds**—\$96,560 to increase volume of accounts receivable financing; \$24,145 to increase volume of direct industrial loans and dealer contracts; \$24,145 to increase volume of small loans; and \$700,000 for the reduction of notes payable. **Office**—Salt Lake City, Utah. **Underwriter**—Whitney & Co., Salt Lake City, Utah.

• Tip Top Products Co.

Oct. 4, 1960 filed 60,000 shares of class A common stock. **Price**—To be supplied by amendment. **Address**—Omaha, Neb. **Underwriters**—J. Cliff Rahel & Co., Omaha, Neb. and First Trust Co., of Lincoln, Lincoln, Neb. **Offering**—Imminent.

• Toledo Plaza Investment Trust (2/20-24)

Dec. 8, 1960, filed 209 Beneficial Trust Certificates in The Toledo Plaza Investment Trust. **Price**—\$2,500 each. **Business**—The company will purchase an apartment project of not less than 242 units on 10 acre site in Prince Georges County, Md. **Proceeds**—To purchase the above-mentioned apartment project. **Office**—2215 Washington Ave., Silver Spring, Md. **Underwriter**—Hodgdon & Co., Inc., Washington, D. C.

• Torque Controls Corp. (2/27)

Jan. 30, 1961 (letter of notification) 225,000 shares of common stock (par one cent). **Price**—\$1 per share. **Proceeds**—To repay loans, purchase additional machinery and for working capital. **Office**—829 E. Broadway, San Gabriel, Calif. **Underwriter**—Russell & Saxe, Inc., New York, N. Y.

★ Totts Pharmacal Corp.

Feb. 1, 1961 filed 125,000 shares of common stock. **Price**—\$4 per share. **Business**—The company was organized under Delaware law in September 1960 to acquire the business and properties of Lucente Enterprises, Inc., which manufactures and distributes a dentifrice under the name of "Orbit Dental Cream" in a novel plastic container with primary appeal to the children's market. **Proceeds**—For new equipment, the repayment of loans and working capital. **Office**—3757 Mahoning Avenue, Youngstown, O. **Underwriter**—International Services Corp., 7 Church St., Paterson, N. J.

• Town Photolab, Inc.

Nov. 30, 1960 filed 150,000 shares of common stock. **Price**—\$4 per share. **Business**—The processing and sale of photographic film, supplies and equipment. **Proceeds**—For general business expenses. **Office**—2240 Jerome Avenue, New York City. **Underwriter**—Michael G. Kletz & Co., New York City. **Offering**—Imminent.

• Tr-Continental Corp. (2/21)

Feb. 1, 1961 filed \$20,000,000 of series A debentures, due March 1, 1966. **Price**—To be supplied by amendment. **Business**—The issuer is a closed end investment company the shares of which are traded on the New York Stock Exchange. **Proceeds**—To refund debentures and a promissory note of the issuer, and debentures of Selected Industries Inc. **Office**—65 Broadway, New York City. **Underwriter**—Eastman Dillon, Union Securities & Co., New York City (managing).

• United Boatbuilders, Inc. (2/27-3/3)

Jan. 3, 1961, filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—Makes and sells fiberglass boats. **Proceeds**—To be added to working capital. **Office**—9th and Harris, Bellingham, Wash. **Underwriters**—Birr & Co., Inc., San Francisco and Marron, Sloss & Co., Inc., New York City.

• United International Fund Ltd.

Oct. 20, 1960 filed 1,000,000 shares of common stock (par one Bermuda pound). **Price**—\$12.50 per share. **Business**—This is a new open-end mutual fund. **Proceeds**—For investment. **Office**—Bank of Bermuda Bldg., Hamilton, Bermuda. **Underwriters**—Kidder, Peabody & Co., Bache & Co., and Francis I. du Pont & Co., all of New York City (managing). **Offering**—Expected in early March.

★ U. S. Components, Inc.

Feb. 9, 1961 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—\$4 per share. **Business**—Manufacturer of precision electronic connectors and related assembly devices. **Proceeds**—For repayment of loans payable, payment of accounts payable, additional machinery and equipment, tooling, advertising, research and development and working capital. **Office**—1320 Zenega Ave., New York 62, N. Y. **Underwriter**—Arden Perin & Co., Inc., New York, N. Y. **Offering**—Expected in early April.

• U. S. Mfg. & Galvanizing Corp. (2/27-3/3)

Jan. 3, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—\$3 per share. **Proceeds**—To reduce current liabilities, sales promotion, purchase inventory, and for working capital. **Office**—5165 E. 11th Avenue, Hialeah, Fla. **Underwriter**—Armstrong Corp., 15 William St., New York, N. Y.

• United Telecontrol Electronics, Inc.

Dec. 8, 1960 (letter of notification) 60,000 shares of common stock (par 10 cents). **Price**—\$5 per share. **Business**—Manufacturing components designed for use in connection with telephone and telegraph communication equipment on a prime contract basis. **Proceeds**—For general corporate purposes, including working capital. **Office**—Monmouth County Airport, Wall Township, N. J. **Underwriter**—Richard Bruce & Co., Inc., New York, New York.

• Urban Development Corp.

Aug. 30, 1960 filed 300,000 shares of common stock (no par). **Price**—\$10 per share. **Proceeds**—For general corporate purposes, including debt reduction. **Office**—Memphis, Tenn. **Underwriter**—Union Securities Investment Co., Memphis, Tenn.

• Van Dusen Aircraft Supplies, Inc.

Jan. 16, 1961 (letter of notification) 100,000 shares of common stock (par \$1). **Price**—\$3 per share. **Proceeds**—For expansion. **Office**—Minneapolis, Minn. **Underwriter**—Stroud & Co., Philadelphia, Pa. **Offering**—Expected in late February.

• Vector Industries, Inc.

Aug. 29, 1960 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—\$2 per share. **Proceeds**—To pay in full the remainder of such subscription

to capital stock of International Data Systems, Inc. and to retire outstanding notes. **Office**—2321 Forest Lane, Garland, Tex. **Underwriter**—Plymouth Securities Corp., New York City has withdrawn as underwriter.

• Visual Dynamics Corp.

Jan. 12, 1961 (letter of notification) 100,000 shares of common stock (par five cents). **Price**—\$3 per share. **Business**—Manufacturers of an audio-visual device for educational and entertainment purposes. **Proceeds**—For general corporate purposes. **Office**—42 S. 15th Street, Suite 204, Philadelphia, Pa. **Underwriter**—District Securities, 2520 L Street, N. W., Washington, D. C.

• Weinschel Engineering Co., Inc.

Jan. 27, 1961 filed 50,000 shares of capital stock (par \$1). **Price**—To be supplied by amendment. **Business**—The company is engaged in research, and the development, engineering, production and sale of high quality precision microwave calibration and testing equipment. **Proceeds**—To repay loans and for working capital. **Office**—10503 Metropolitan Ave., Kensington, Md. **Underwriter**—Alex. Brown & Sons, Baltimore, Md.

• Western Factors, Inc.

June 29, 1960, filed 700,000 shares of common stock. **Price**—\$1.50 per share. **Proceeds**—To be used principally for the purchase of additional accounts receivable and also may be used to liquidate current and long-term liabilities. **Office**—1201 Continental Bank Bldg., Salt Lake City, Utah. **Business**—Factoring. **Underwriter**—Elmer K. Aagaard, Newhouse Bldg., Salt Lake City, Utah.

• Whippany Paper Board Co., Inc. (2/20-24)

Dec. 28, 1960 filed 250,000 shares of common stock (par 10c). **Price**—To be supplied by amendment. **Business**—The manufacture and sale of container liner board, corrugated board, chip board and box board. **Proceeds**—For plant conversion and working capital. **Office**—10 North Jefferson Road, Whippany, N. J. **Underwriter**—Val Alstyne, Noel & Co., New York City (managing).

• Willer Color Television System, Inc.

Jan. 29, 1961 (letter of notification) 80,890 shares of common stock (par \$1). **Price**—\$3 per share. **Proceeds**—For general corporate purposes. **Office**—151 Odell Avenue, Yonkers, N. Y. **Underwriter**—Equity Securities Co., 39 Broadway, New York City. **Offering**—Indefinite.

• Wilson (Lee) Engineering Co., Inc.

Dec. 30, 1960 filed 67,500 outstanding shares of common stock. **Price**—To be supplied by amendment. **Business**—The company produces equipment for treating flat rolled steel and wire in a variety of ways, including chemical change through gas alloying and physical change through thermal treating. **Proceeds**—For the selling stockholder. **Underwriter**—Prescott, Shepard & Co., Inc., Cleveland.

• Winston-Muss Corp.

Jan. 30, 1961 filed \$9,000,000 of convertible subordinated debentures due 1981 and 400,000 shares of common stock to be offered for public sale in units consisting of \$22.50 principal amount of debentures and one share of common stock. **Price**—To be supplied by amendment. **Business**—The company was organized under Delaware law in January 1961 to engage in the conception, planning and execution of large scale property development and construction projects throughout the U. S. **Proceeds**—For the acquisition and development of real estate properties. **Office**—22 West 48th St., New York City. **Underwriter**—Lee Higginson Corp., New York City (managing). **Offering**—Expected in late March.

★ Winter Park Telephone Co.

Feb. 13, 1961 filed 33,638 shares of common stock, to be offered to the holders of the outstanding common on the basis of one new share for each three shares held, with the unsubscribed stock to be publicly offered by the company. **Price**—To be supplied by amendment. **Proceeds**—For plant and equipment, with the balance for general corporate purposes. **Office**—132 East New England Ave., Winter Park, Fla. **Underwriter**—None.

• Wollard Aircraft Service Equipment, Inc. (2/20-21)

Dec. 14, 1960 filed 135,000 shares of common stock. **Price**—\$4 per share. **Business**—The manufacture and sale of equipment used to service commercial and military aircraft. **Proceeds**—For a new plant and equipment, for moving expenses and the balance for working capital. **Office**—2963 N. W. 79th St., Miami, Fla. **Underwriter**—Amos Treat & Co., Inc., New York City (managing).

• Wometco Enterprises, Inc. (2/23)

Dec. 30, 1960 filed 100,000 shares of stock, consisting of 13,591 outstanding shares of class A common stock; 19,155 outstanding shares each of class B, series B, C and D common; and 23,944 outstanding shares of class B, series E common. **Proceeds**—For the selling stockholders. **Business**—Owns and operates television station WTVJ, Miami, Fla. and station WLOS-TV with its affiliates WLOS-AM and FM, Asheville, N. C. The company also owns and operates television station WFGA, Jacksonville, Fla., and it recently signed a contract for the acquisition of station KVOS-TV, Bellingham, Wash. It also operates a chain of 23 motion picture theatres, sells soft drinks and related items, owns a franchise to bottle and sell Pepsi-Cola in the Bahamas and holds a 91% interest in the Seaquarium at Miami, Fla. **Office**—306 North Miami Avenue, Miami, Fla. **Underwriters**—Lee Higginson Corp., New York and A. C. Allyn & Co., Inc., Chicago.

• Wyle Laboratories (3/6-10)

Jan. 17, 1961 filed 110,000 shares of common stock, of which 100,000 shares will be offered for the account of the issuing company and 10,000 shares, representing outstanding stock, will be offered for the account of a selling stockholder. **Price**—To be supplied by amendment. **Business**—This firm, which up to now has been privately held, believes it is the largest independent laboratory in America providing testing services for the

missile-space-aircraft industry. **Proceeds**—For expansion, with the balance for working capital. **Office**—128 Maryland St., El Segundo, Calif. **Underwriters**—Kidder, Peabody & Co., New York City, and Mitchum, Jones & Templeton, Los Angeles (managing).

• Yuscaran Mining Co.

May 6, 1960 filed 1,000,000 shares of com. stock. **Price**—\$1 per share. **Proceeds**—It is expected that some \$100,000 will be used to purchase and install a mill for the processing of ore; \$60,000 for rails, ties, rail cars and related equipment; \$10,000 for rebuilding roads; \$30,000 for transportation equipment; and \$655,000 for working capital. **Office**—6815 Tordera St., Coral Gables, Fla. **Underwriter**—None. **Note**—The SEC has challenged the accuracy and adequacy of this statement. On Jan. 5, 1961, the company reported that it is negotiating a merger with another company and that financing plans have been indefinitely postponed.

• Zurn Industries, Inc.

Sept. 26, 1960 filed 200,000 shares of common stock (\$1 par), of which 100,000 shares are to be offered for the account of the issuing company and 100,000 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—To be supplied by amendment. **Business**—The manufacture of mechanical power transmission equipment, fluid control devices, building plumbing drainage products and research and development of a synchro-gear assembly for atomic submarines. **Proceeds**—For new equipment, the repayment of loans, and working capital. **Office**—Erie, Pa. **Underwriter**—Lee Higginson Corp., New York City (managing). **Offering**—Postponed.

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Prospective Offerings

• Advance Industries Corp.

Jan. 25, 1961 it was reported that a "Reg. A" filing covering 100,000 shares of the company's 10 cent par common stock is expected by late March. **Price**—\$3 per share. **Business**—Manufacturer of turniture. **Proceeds**—For equipment and general corporate purposes. **Office**—Washington, D. C. **Underwriter**—Allen, McFarland & Co., Washington, D. C.

• Alamo Gas Supply Co.

Jan. 24, 1961 it was reported that this company is negotiating for the sale of about \$18,000,000 to \$20,000,000 of bonds. **Proceeds**—For expansion of facilities. **Office**—San Antonio, Tex. **Underwriters**—White, Weld & Co., New York City and Underwood, Neuhaus & Co., Inc., Houston, Tex.

• Alberta Gas Trunk Line Co., Ltd.

Sept. 1, 1960 A. G. Bailey, President, announced that new financing of approximately \$65,000,000 mostly in the form of first mortgage bonds, is expected early in 1961. **Office**—502-2nd St., S. W., Calgary, Alberta, Canada.

• Alberto Culver Co.

Feb. 8, 1961 it was reported that this company is considering additional financing, probably by sale of stock. **Business**—Manufactures and sells hair preparations. **Office**—Melrose, Ill. **Underwriter**—Shields & Co., New York City.

• All State Credit Corp.

Feb. 8, 1961 it was reported that this company plans to file an SEC registration statement shortly covering 200,000 shares of class A common stock. **Business**—A consumer sales finance company. **Office**—Merrick, L. I., N. Y. **Underwriter**—Mortimer B. Burnside & Co., New York City.

• American Investment Co.

Nov. 3, 1960, Donald L. Barnes, Jr., executive vice-president, announced that debt financing is expected in early 1961 in the form of about \$6,000,000 of capital notes and \$4,000,000 to \$6,000,000 of subordinated notes. **Office**—St. Louis, Mo.

• American Playlands Corp.

Dec. 21, 1960 it was reported that this company plans to refile in February a registration statement covering 300,000 shares of common stock. This will be a full filing. **Business**—The company intends to operate an amusement and recreation park on 196 acres of land near Liberty, N. Y. **Proceeds**—For development of the land. **Office**—55 South Main St., Liberty, N. Y. **Underwriter**—M. W. Janis & Co., Inc., New York City.

• Appalachian Power Co.

Feb. 1, 1961 it was reported that this subsidiary of American Electric Power Co., Inc., plans to sell \$35,000,000 to \$40,000,000 of bonds late in 1961 or early in 1962. **Office**—2 Broadway, New York City. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; First Boston Corp.; Harriman Ripley & Co., Inc.; Kuhn, Loeb & Co. and Eastman Dillon, Union Securities & Co. (jointly).

• Approved Finance Inc.

Nov. 11, 1960 it was reported by Paul O. Sebastian, Vice-President-Treasurer, that the company is considering a rights offering to stockholders of additional common

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stock via a Regulation "A" filing, possibly to occur in mid-1961. **Office**—39 E. Chestnut St., Columbus, Ohio. **Underwriter**—Vercor & Co., Columbus, Ohio.

Arizona Public Service Co.

Feb. 8, 1961 it was reported that this company plans to issue about \$38,000,000 of bonds in May and some preferred or common stocks in the fourth quarter. The company expects to spend about \$320,000,000 on construction in the period 1961 to 1965 of which some \$250,000,000 will come from outside sources. **Office**—501 South Third Ave., Phoenix, Ariz. **Underwriters**—To be determined. The last sale of bonds was made privately on March 26, 1959 through Blyth & Co., Inc., and The First Boston Corp. The last sale of preferred stock on June 18, 1958 and the last sale of common (to stockholders on May 24, 1959) was also handled by Blyth & Co. and The First Boston Corp.

Arkansas Power & Light Co.

Sept. 20, 1960 it was announced that this subsidiary of Middle South Utilities plans the issuance of approximately \$12,000,000 of 30-year first mortgage bonds, some time in March. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co. and Equitable Securities Corp. (jointly); Blyth & Co. and Dean Witter & Co. (jointly); Lehman Brothers, Stone & Webster Securities Corp. and White, Weld & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.

Atlantic Transistor Corp.

Sept. 12, 1960 the company reported that it is contemplating filing its first public offering, consisting of a letter of notification covering an undetermined number of shares of its \$1 par common stock. **Business**—The company makes and sells a "water-tight, unbreakable" marine radio known as the "Marlin 200." **Proceeds**—For the development of the "Marlin 300," which is to be a similarly constructed radio with a ship-to-shore band. **Office**—63-65 Mt. Pleasant Ave., Newark, N. J. **Underwriter**—Mr. Roth, Comptroller, states that he is actively seeking an underwriter to handle the offering. **Note**—The issuing company is a wholly-owned subsidiary of Auto-Temp Inc.

Baltimore Gas & Electric Co.

Oct. 3, 1960 it was reported that the utility expects to sell about \$20,000,000 of additional securities, possibly bonds or preferred stock, sometime during the first half of 1961. **Office**—Lexington Building, Baltimore, Md. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co. and First Boston Corp. (jointly); Harriman Ripley & Co., Inc. and Alex. Brown & Sons (jointly).

Bo-Craft Enterprises Inc.

Nov. 18, 1960 it was reported that a letter of notification consisting of 100,000 shares of 10 cent par common stock will be filed for this company. **Price**—\$3 per share. **Business**—The company is engaged in the manufacture of parts for zippers. **Proceeds**—For expansion and general corporate purposes. **Office**—11-54 44th Drive, Long Island City, N. Y. **Underwriter**—Harwyn Securities, 1457 Broadway, New York City.

Brooklyn Union Gas Co.

Jan. 12, 1961 G. C. Griswold, Vice-President and Treasurer stated that company has not made definite financing plans but is considering an issue of \$25,000,000 to \$30,000,000 of mortgage bonds in late 1961. **Office**—176 Remsen St., Brooklyn 1, N. Y.

California Asbestos Corp.

Sept. 28, 1960 it was reported that discussion is under way concerning an offering of about \$300,000 of common stock. It has not yet been determined whether this will be a full filing or a "Reg. A." **Business**—The company, which is not as yet in operation but which has pilot plants, will mine and mill asbestos. **Proceeds**—To set up actual operations. **Address**—The company is near Fresno, Calif. **Underwriter**—R. E. Bernhard & Co., Beverly Hills, Calif. **Registration**—Indefinite.

California Electric Power Co.

Jan. 18, 1961 it was reported that this company's plans to offer \$8,000,000 of bonds will be governed more by the conditions of the money market than by the company's early need for long-term financing. With its 1961 construction program tentatively scheduled at \$20,000,000, the company can wait at least until fall before it needs financing. **Proceeds**—For construction. **Office**—2885 Foothill Boulevard, San Bernardino, Calif. **Underwriters**—To be determined by competitive bidding. Probable bidders: Kidder, Peabody & Co.; Halsey, Stuart & Co. Inc.; First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc.

California Oregon Power Co.

Feb. 7, 1961 it was reported that this company plans to issue about \$7,000,000 of bonds and \$5,000,000 of common stock in October. **Proceeds**—For the repayment of bank loans and for construction. **Office**—216 W. Main St., Medford, Ore. **Underwriters**—(Bonds) To be determined by competitive bidding. Probable bidders: Blyth & Co., Inc., and First Boston Corp. (jointly); Shields & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc., and Kidder, Peabody & Co. (jointly); White, Weld & Co.; Halsey, Stuart & Co. Inc. The last sale of common on Oct. 8, 1957 was handled on a negotiated basis by Blyth & Co., Inc., and First Boston Corp.

Carbonic Equipment Corp.

Dec. 8, 1960 it was reported that a full filing of about \$300,000 of units, consisting of common stock, bonds and warrants will be made. **Proceeds**—For expansion of the business. **Office**—97-02 Jamaica Ave., Woodhaven, N. Y. **Underwriter**—R. F. Dowd & Co., Inc. **Registration**—Expected in early March.

Car Plan System, Inc.

Feb. 1, 1961 it was reported that this company plans to file a "Reg. A" covering 100,000 shares of common stock (par 10 cents). **Price**—\$3 per share. **Business**—Automobile leasing. **Proceeds**—For expansion. **Office**—540 N. W. 79th St., Miami, Fla. **Underwriter**—R. F. Dowd & Co., Inc., New York City. **Registration**—Expected in late February.

Casavan Industries

Feb. 1, 1961 it was reported by Mr. Casavena, President, that registration is expected of approximately \$10,000,000 of common stock and \$11,750,000 of 6% debentures. **Business**—The company makes polystyrene and polyurethane for insulation and processes marble for construction. **Proceeds**—For expansion. **Office**—250 Vreeland Ave., Paterson, N. J. **Underwriter**—To be named. **Registration**—Expected in late February.

Caxton House Corp.

Jan. 24, 1960 it was reported that a full filing of this company's stock, constituting its first public offering, will be made. **Price**—Approximately \$3 per share. **Business**—Book publishing. **Office**—9 Rockefeller Plaza, New York City. **Underwriter**—To be named.

Central Hudson Gas & Electric Co.

Feb. 2, 1961 it was reported that the company is considering the sale of \$5,000,000 to \$7,000,000 of preferred stock in the second quarter. **Proceeds**—For expansion. **Office**—South Road, Poughkeepsie, N. Y. **Underwriter**—To be named. The last public sale of preferred in April 1949 was made through Kidder, Peabody & Co., and Esabrook & Co. (jointly).

Charles Of The Ritz

Jan. 18, 1961 it was reported that this company plans a public offering of common stock. This will be a full filing, registered secondary. **Business**—Operates a chain of beauty salons. **Office**—11 E. 58th Street, New York City. **Underwriter**—White, Weld & Co., New York City (managing). **Registration**—Expected in early March.

Chicago, Milwaukee, St. Paul & Pacific RR. (2/21)

Feb. 14, 1961, it was reported that this road plans to sell \$5,850,000 of equipment trust certificates, series ZZ dated March 1, 1961 due March-Sept. 1 from Sept. 1, 1961 to March 1, 1976, inclusive. **Proceeds**—To finance up to 80% of the cost of 650 50-ton and 100 70-ton box cars. **Office**—516 W. Jackson Blvd., Chicago, Ill. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc., and Salomon Bros. & Hutzler. **Bids**—To be received at the Chicago office on Feb. 21 at noon (CST).

Chroma-Glo, Inc.

Feb. 14, 1961 it was reported that this company plans to file a "Reg. A" covering 90,000 shares of common stock (par 50 cents). **Price**—\$3.30 per share. **Business**—Manufactures pressure sensitive emblems for industry. **Proceeds**—For expansion. **Office**—525 South Lake Ave., Duluth 2, Minn. **Underwriter**—Jamieson & Co., Minneapolis, Minn. **Registration**—Expected in late February.

Colorado Interstate Gas Co.

Oct. 17, 1960 it was reported by Mr. A. N. Porter of the company's treasury department that the company is awaiting a hearing before the full FPC with reference to approval of its application for expansion of its system, which will require about \$70,000,000 of debt financing which is expected in the latter part of 1961. **Proceeds**—For expansion. **Office**—P. O. Box 1087, Colorado Springs, Colo.

Columbia Gas System, Inc.

Feb. 1, 1961 it was reported that this company plans to sell about \$30,000,000 of debentures in May or June and about \$25,000,000 of debentures in the fall. **Office**—120 East 41st Street, New York 17, N. Y. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc., and White, Weld & Co. (jointly).

Columbus & Southern Ohio Electric Co.

Sept. 22, 1960 it was reported the company will sell about \$10,000,000 additional common stock sometime in 1961. **Proceeds**—For expansion purposes. **Office**—215 N. Front St., Columbus 15, Ohio. **Underwriter**—Dillon, Read & Co.

Commonwealth Edison Co.

Jan. 10, 1961 it was reported that this company plans to sell \$30,000,000 of bonds in the second quarter of 1961. **Office**—72 W. Adams Street, Chicago, Ill. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Kidder, Peabody & Co.; White, Weld & Co.; Blyth & Co., Inc.; Merrill Lynch, Pierce, Fenner & Smith, Inc.

Community Public Service Co.

Feb. 6, 1961 it was reported that this company plans to sell \$5,000,000 of first mortgage bonds. **Office**—408 W. 7th Street, Fort Worth 2, Texas. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; Paine, Webber, Jackson & Curtis; First Southwest Co.; Kidder, Peabody & Co. and White, Weld & Co. (jointly). **Offering**—Expected in May.

Consolidated Edison Co. of New York, Inc.

Jan. 27, 1961 it was reported that this company plans to sell about \$75,000,000 of mortgage bonds in the fall and an additional \$75,000,000 of preferred or common stock by year end. **Office**—4 Irving Place, New York City. **Underwriters**—(Bonds) To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Morgan Stanley & Co. The last sale of common was made to stockholders on Sept. 13, 1929 through subscription rights. The last sale of preferred was made privately on or about Jan. 23 through Morgan, Stanley & Co., and First Boston Corp., New York City.

Consolidated Natural Gas Co.

Jan. 31, 1961 it was reported that this company expects to sell about \$25,000,000 of debentures later in 1961. **Business**—A holding company for six operating concerns engaged in the natural gas business. **Proceeds**—For construction. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co., and First Boston Corp. (jointly); White, Weld & Co., and Paine, Webber, Jackson & Curtis (jointly).

Consumers Power Co.

Feb. 15, 1961 it was reported that this company may sell \$20,000,000 of preferred and \$30,000,000 of bonds about mid-year. **Office**—212 West Michigan Ave., Jackson, Mich. **Underwriter**—(Bonds) To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co. and Shields & Co. (jointly); Harriman Ripley & Co., and First Boston Corp. (jointly); Morgan Stanley & Co. The last sale of preferred stock, on July 21, 1955, was handled by Morgan Stanley & Co.

Daffin Corp.

Jan. 20, 1961, it was reported that a registration is expected to be filed covering 150,000 outstanding shares of common stock (no par). **Price**—To be supplied by amendment. **Business**—The company makes agricultural implements, feed grinding and mixing equipment for the livestock industry, and conveying and seed cleaning equipment. **Proceeds**—To the selling stockholders. **Office**—121 Washington Ave., South, Hopkins, Minn. **Underwriters**—Lehman Brothers, New York City, and Piper, Jaffray & Hopwood, Minneapolis, Minn. (managing).

Dakota Reinsurance Corp.

Nov. 28, 1960 it was reported by Walter H. Johnson, President, that the company plans its first public offering of an as yet undetermined amount of its \$1 par common stock. **Business**—The company will enter the field of reinsurance on a multiple line basis. **Office**—P. O. Box 669, Yankton South Dakota. **Underwriter**—Mr. Johnson states that the company is actively seeking an underwriter.

Dallas Power & Light Co.

Sept. 14, 1960 it was stated by the company's president that there may possibly be some new financing during 1961, with no indication as to type and amount. **Office**—1506 Commerce Street, Dallas, Texas. **Underwriter**—To be determined by competitive bidding. Probable bidders: To be named.

Delaware Power & Light Co.

Feb. 7, 1961 it was reported that the company has postponed until early 1962 its plan to issue additional common stock. The offering would be made to common stockholders first on the basis of one share for each 10 shares held. Based on the number of shares outstanding on Sept. 30, 1960, the sale would involve about 418,536 shares valued at about \$14,600,000. The last offering of common to stockholders in June, 1956, consisted of 232,520 shares offered at \$35 a share to holders of record June 6, on the basis of one share for each eight shares held. **Proceeds**—For construction. **Office**—600 Market Street, Wilmington, Del. **Underwriter**—To be determined by competitive bidding. Probable bidders: Carl M. Loeb, Rhoades & Co., New York; W. C. Langley & Co., and Union Securities Co. (jointly); Lehman Brothers; First Boston Corp.; White, Weld & Co., and Shields & Co. (jointly); Kidder, Peabody & Co., and Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly).

Diversified Automated Sales Corp.

Nov. 16, 1960 it was reported by Frazier N. James, President, that a "substantial" issue of common stock, constituting the firm's first public offering, is under discussion. **Business**—The company makes a film and flashbulb vending machine called DASCO, which will sell as many as 18 products of various sizes and prices, and will also accept exposed film for processing. **Office**—223 8th Ave., South, Nashville, Tenn. **Underwriter**—Negotiations are in progress with several major underwriters.

Dynamic Center Engineering Co., Inc.

Oct. 3, 1960 it was reported that the company plans a full filing of its \$1 par common stock. **Proceeds**—To promote the sale of new products, purchase new equipment, and for working capital. **Office**—Norcross, Ga. **Underwriter**—To be named.

Elk Roofing Co.

Jan. 6, 1961 it was reported that this company plans a full filing of 135,000 shares of common stock. **Proceeds**—To reduce long-term debt. **Office**—Stephens, Ark. **Underwriter**—S. D. Fuller & Co.

Epoderm Inc.

Jan. 27, 1961 it was reported that the company plans its first public offering of 40,000 shares of common stock. **Price**—\$10 per share. **Business**—The manufacture of drugs. **Proceeds**—The research and synthesis of certain hormones that may be helpful in revitalizing dormant hair growth. **Office**—New Jersey. **Underwriter**—M. H. Meyerson & Co., Ltd., 15 William St., New York City (managing). **Registration**—Expected in mid-February.

Exploit Films, Inc.

Feb. 1, 1961 it was reported that the company will file a letter of notification consisting of 100,000 shares of common stock at \$5 per share. **Proceeds**—For the production of TV and motion picture films, the reduction of indebtedness, and for working capital. **Office**—619 W. 54th St., New York City. **Underwriter**—McClane & Co., Inc., 26 Broadway, New York City (managing). **Registration**—Expected on or about March 15.

Fawcett Publications, Inc.

Jan. 20, 1961 it was reported that this family-owned publishing business is contemplating its first public offering. **Office**—Greenwich, Conn. **Underwriter**—To be named.

First Continental Real Estate Trust

Jan. 6, 1961 it was reported that this company plans to file, at some future date, an SEC registration statement covering 1,500,000 trust shares to be offered for public sale. **Business**—General real estate. **Proceeds**—For general corporate purposes. **Office**—105 West Adams Street, Chicago 3, Ill.

Flintkote Co.

Feb. 7, 1961 it was reported that stockholders are to vote March 22 on authorizing the company to increase its funded debt to \$50,000,000. If approved, the company plans to borrow \$30,000,000 this year, possibly through sale of debentures. **Business**—The company is engaged directly or through subsidiaries in manufacturing, mining, distributing, and selling various products for construction, industrial, and consumer use. **Proceeds**—For construction. **Office**—30 Rockefeller Plaza, New York 20, N. Y. **Underwriter**—To be named. The last sale of debentures on April 3, 1957 was handled by Lehman Bros., New York and associates.

Florida Power & Light Co.

Oct. 24, 1960 it was reported that an undetermined amount of bonds may be offered in the Spring of 1961. **Office**—25 S. E. 2nd Ave., Miami, Fla. **Underwriter**—To be determined by competitive bidding. Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc. and Kidder, Peabody & Co. (jointly); Halsey, Stuart & Co. Inc.; White, Weld & Co.; First Boston Corp.; Blyth & Co., Inc.

Ford Motor Credit Co.

Oct. 17, 1960 it was reported that this company is developing plans for borrowing operations, which may include the issuance of debt securities, and possibly occur in the first quarter of 1961. **Office**—Detroit, Mich.

General Resistance, Inc.

Sept. 19, 1960 it was reported that the company will file a letter of notification, comprising its first public offering. **Office**—577 East 156th Street, Bronx, N. Y.

General Telephone Co. of California

Feb. 1, 1961 it was reported that this subsidiary of General Telephone & Electronics Corp. plans to sell about \$20,000,000 of bonds in the first half of 1961. **Office**—2020 Santa Monica Blvd., Santa Monica, Calif. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; First Boston Corp. and Equitable Securities Corp. (jointly); White, Weld & Co. and Kidder, Peabody & Co. (jointly); Paine, Webber, Jackson & Curtis, and Stone & Webster Securities Corp.

General Telephone Co. of Florida

Feb. 8, 1961 it was reported that this subsidiary of General Telephone & Electronics Corp., expects to offer about \$15,000,000 of bonds in November. **Office**—610 Morgan Street, Tampa, Fla. **Underwriters**—Stone & Webster Securities Corp., and Paine, Webber, Jackson & Curtis both of New York City.

Georgia Bonded Fibers, Inc.

Sept. 14, 1960 it was reported that registration of 150,000 shares of common stock is expected. **Offices**—Newark, N. J., and Buena Vista, Va. **Underwriter**—Sandkuhl and Company, Newark, N. J., and New York City. **Registration**—Expected in late February or early March.

Georgia Power Co. (10/18)

Dec. 29, 1960 this subsidiary of the Southern Co., applied to the Georgia Public Service Commission for permission to issue \$15,500,000 of 30-year first mortgage bonds, and \$8,000,000 of new preferred stock. **Proceeds**—For construction, plant modernization or refunding of outstanding debt. **Office**—Electric Bldg., Atlanta 3, Ga. **Underwriters**—To be determined by competitive bidding. Previous bidders for bonds included Harriman Ripley & Co., Inc.; Lehman Brothers; Blyth & Co., Inc.; Kidder, Peabody & Co., and Shields & Co. (jointly); First Boston Corp.; Morgan Stanley & Co.; Halsey, Stuart & Co. Inc.; Equitable Securities Corp., Eastman Dillon, Union Securities & Co. (jointly). Previous bidders for preferred were First Boston Corp., Lehman Brothers, Morgan Stanley & Co.; Eastman Dillon, Union Securities & Co.; and Equitable Securities Corp. **Bids**—Expected to be received on Oct. 18.

Geriatrics Pharmaceutical Corp.

Jan. 11, 1961 it was reported that this firm is planning a letter of notification covering 50,000 shares of 10¢ par common stock. **Proceeds**—For general corporate purposes, including the hiring of additional detail men. **Office**—45 Commonwealth Boulevard, Bellerose, L. I., N. Y. **Underwriter**—T. M. Kirsch & Co., 52 Wall Street, New York City. **Registration**—Imminent.

Goshen Farms Inc.

Oct. 5, 1960 it was reported that 100,000 shares of the company's common stock will be filed. **Proceeds**—For breeding trotting horses. **Office**—Goshen, N. Y. **Underwriter**—R. F. Dowd & Co. Inc. **Registration**—Expected in early March.

Great Northern Ry. (2/28)

Jan. 17, 1961 it was reported that this company plans to sell \$5,100,000 of 1-15 year equipment trust certificates. **Office**—39 Broadway, New York City. **Underwriter**—To be determined by competitive bidding. Probable bidders: Salomon Bros. & Hutzler and Halsey, Stuart & Co. Inc., both of New York City. **Bids**—To be received on Feb. 28 at noon (EST).

Grosset & Dunlap, Inc.

Jan. 23, 1961 it was reported that this firm is contemplating its first offering of common stock. **Business**—This is a publishing firm owned by Little Brown, Harper's, Random House, and Book Of The Month Club, with the last-named firm owning the largest interest. The prospective issuer owns Treasure Books, Wonder Books, and Bantam Books jointly with Curtis Publishing Co. **Office**—1107 Broadway, New York City. **Underwriter**—Blyth & Co., Inc., New York City (managing).

Guaranty National Insurance Co.

Jan. 25, 1960 it was reported that the company plans a Regulation "A" filing of 120,000 shares of common stock. **Price**—\$2.50 per share. **Business**—Fire and casualty insurance. **Proceeds**—General corporate purposes. **Underwriter**—Copley & Co., Colorado Springs, Colo. **Registration**—Expected in early March.

Gulf Power Co. (12/7)

Jan. 4, 1960 it was reported that this subsidiary of The Southern Co., plans to sell \$5,000,000 of 30-year bonds. **Office**—75 North Pace Blvd., Pensacola, Fla. **Underwriter**—To be determined by competitive bidding. Previous bidders included Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Salomon Bros. & Hutzler and Drexel & Co. (jointly); Equitable Securities Corp.; Kidder, Peabody & Co. and White, Weld & Co. (jointly). **Bids**—Expected to be received on Dec. 7, 1961.

Heath (D. C.) & Co.

Feb. 8, 1961 it was reported that registration is expected in March for an undetermined number of common shares (par \$100), of which part would be offered for the account of the company and part for selling stockholders. **Business**—Publishes and sells textbooks for schools and colleges. **Office**—285 Columbus Avenue, Boston, Mass. **Underwriter**—Kidder, Peabody & Co., New York City.

Houston Lighting & Power Co.

Oct. 17, 1960 Mr. T. H. Wharton, President, stated that between \$25-\$35 million dollars is expected to be raised publicly sometime in 1961, probably in the form of preferred and debt securities, with the precise timing depending on market conditions. **Proceeds**—For construction and repayment of bank loans. **Office**—Electric Building, Houston, Texas. **Underwriter**—Previous financing was headed by Lehman Brothers, Eastman Dillon, Union Securities & Co. and Salomon Bros. & Hutzler.

Idaho Power Co.

Jan. 10, 1961 it was reported that this company plans to sell \$10,000,000 of bonds and about \$5,000,000 of common in the third quarter of 1961. **Proceeds**—To repay loans and for construction. **Underwriters**—To be determined by competitive bidding. Probable bidders on the bonds: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc.; Lazard Freres & Co., and First Boston Corp. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.; Salomon Bros. & Hutzler, and Eastman Dillon, Union Securities & Co. (jointly); Equitable Securities Corp. Probable bidders on the common: Blyth & Co., Inc.; Lazard Freres & Co.; Kidder, Peabody & Co.; Merrill Lynch, Pierce, Fenner & Smith, Inc.

Illinois Terminal RR.

Jan. 16, 1961 it was reported that this company plans the sale later this year of about \$8,500,000 of first mortgage bonds. **Office**—710 North Twelfth Blvd., St. Louis, Mo. **Underwriter**—Halsey, Stuart & Co. Inc., Chicago.

Indianapolis Power & Light Co.

According to a prospectus filed with the SEC on Aug. 25, 1960, the company plans the sale of about \$14,000,000 of additional securities in 1963. **Office**—25 Monument Circle, Indianapolis, Ind.

Industrial Control Products, Inc.

Jan. 24, 1961 it was reported that the company plans to file 165,000 shares of 10¢ par class A stock. **Price**—\$3 per share. **Business**—The design and manufacture of control systems and subcontracted precision machining. The firm has recently begun to make double-diffused, broad base silicon diodes, but is not yet in commercial production of these items. **Proceeds**—For expenses of semiconductor production, research and development, advertising and selling, inventory, and general funds. **Office**—78 Clinton Road, Caldwell Township, N. J. **Underwriter**—Edward Hindley & Co., 99 Wall Street, New York 5, N. Y. (managing).

Industrial Gauge & Instrument Co.

Oct. 5, 1960 it was reported that 100,000 shares of common stock will be filed. **Proceeds**—Expansion of the business, and for the manufacture of a new product by a subsidiary. **Office**—1947 Broadway, Bronx, N. Y. **Underwriter**—R. F. Dowd & Co. Inc. **Registration**—Expected in late February.

Interstate Power Co.

Feb. 6, 1961 it was reported that this company plans to sell \$9,000,000 of bonds and 200,000 shares of common stock in May. **Office**—1000 Main Street, Dubuque, Iowa. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Kidder, Peabody & Co.; White, Weld & Co.; Salomon Bros. & Hutzler.

Iowa-Illinois Gas & Electric Co.

Feb. 7, 1961 it was reported by the company treasurer, Mr. Donald Shaw that the utility expects to sell \$10,000,000 to \$15,000,000 of first mortgage bonds in the second quarter of 1961. The 1961 construction program is estimated at \$18,000,000. **Proceeds**—To repay bank loans and for construction. **Office**—206 E. 2nd St., Davenport, Iowa. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; First Boston Corp.; Glorie, Forgan & Co. and Lehman Brothers (jointly); White, Weld & Co. and Blyth & Co., Inc. (jointly).

Japan Telephone & Telegraph Corp.

Oct. 27, 1960 it was announced that this government-owned business plans a \$20,000,000 bond issue in the United States. **Proceeds**—For expansion. **Underwriters**—Dillon, Read & Co., First Boston Corp., and Kidder, Peabody & Co. **Offering**—Expected in the Spring of 1961.

Laclede Gas Co.

Nov. 15, 1960 Mr. L. A. Horton, Treasurer, reported that the utility will need to raise \$33,000,000 externally for its 1961-65 construction program, but the current feeling is that it will not be necessary to turn to long-term securities until May 1962. **Office**—1017 Olive St., St. Louis, Mo.

Lanvin Parfums, Inc.

Jan. 24, 1961 it was reported that this perfume firm is contemplating its first public financing, to consist of an issue of about \$6,000,000 of common stock. **Office**—767 Fifth Avenue, New York City. **Underwriter**—Goldman, Sachs & Co., New York City (managing).

La Salle National Bank (Chicago, Ill.)

Feb. 10, 1961 it was reported that stockholders are to vote March 2 on increasing authorized stock from 135,000 to 165,000 shares (par \$25) to provide for a 11.1% stock dividend and sale of 15,000 shares to stockholders on the basis of one new share for each 10 shares held, after payment of the stock dividend. **Price**—\$75 per share. **Proceeds**—To increase capital. **Office**—135 So. La Salle St., Chicago 3, Ill. **Underwriter**—None.

Long Island Lighting Co.

Jan. 25, 1961 it was reported by Fred C. Eggerstedt, Jr., Assistant Vice-President, that the utility contemplates the issuance of \$25,000,000 of 30-year first mortgage bonds probably in the second or third quarter of 1961. **Office**—250 Old Country Road, Mineola, N. Y. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp., and Blyth & Co., Inc. (jointly); W. C. Langley & Co. and Smith, Barney & Co. (jointly).

Louisville & Nashville RR. (3/7)

Jan. 24, 1961 it was reported that this company plans to sell about \$7,785,000 of equipment trust certificates due March 15, 1962-76. **Proceeds**—To buy additional freight cars. **Offices**—9th Street and Broadway, Louisville 1, Ky., and 71 Broadway, New York, N. Y. **Underwriters**—To be determined by competitive bidding. Probable bidders: Salomon Bros. & Hutzler and Halsey, Stuart & Co. Inc. **Bids**—To be received on March 7 at noon (EST).

Macro Lumber & Trim Co., Inc.

Dec. 20, 1960, it was reported that this company plans a public offering of about 500,000 common shares (par \$1) in early 1961. **Office**—2060 Jericho Turnpike, New Hyde Park, L. I., N. Y.

Martin Paint & Wallpapers

Aug. 29, 1960 it was announced that registration is expected of the company's first public offering, which is expected to consist of about \$650,000 of convertible debentures and about \$100,000 of common stock. **Proceeds**—For expansion, including a new warehouse and additional stores. **Office**—153-22 Jamaica Avenue, Jamaica, L. I., N. Y. **Underwriter**—Hill, Thompson & Co., Inc., New York City, N. Y.

Massachusetts Electric Co.

Jan. 24, 1961 it was reported that the SEC has approved the merger of six subsidiaries of New England Electric System into Worcester County Electric Co., also a subsidiary. Latter will change its corporate name to Massachusetts Electric Co., and issue about \$17,500,000 of first mortgage bonds due 1991. **Offices**—939 Southbridge St., Worcester, Mass., and 441 Stuart St., Boston, Mass. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Kidder, Peabody & Co., and Coffin & Burr, Inc. **Offering**—Expected in May.

Masters Inc.

Jan. 6, 1961 it was reported that this corporation is contemplating its first public financing. **Business**—The operation of a chain of discount houses. **Office**—135-21 38th Avenue, Flushing 54, L. I., N. Y.

McCulloch Corp.

Jan. 9, 1961 it was reported that this corporation will schedule its initial public financing for late 1961 or some time in 1962. **Business**—The corporation manufactures Scott outboard motors and McCulloch chain saws. **Office**—6101 West Century Boulevard, Los Angeles 45, Calif.

Metropolitan Edison Co.

Feb. 1, 1961 it was reported that this subsidiary of General Public Utilities Corp., plans to sell about \$10,000,000 of first mortgage bonds and \$5,000,000 of debentures in August or September. **Office**—2800 Pottsville Pike, Muhlenberg Township, Berks County, Pa. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.; Kidder, Peabody & Co. and Drexel & Co. (jointly); Blyth & Co., Inc.

Michigan Consolidated Gas Co.

Jan. 11, 1961 it was reported that this company plans to sell about \$30,000,000 of bonds in the first half of 1961. **Proceeds**—To repay notes and for construction. **Office**—415 Clifford St., Detroit 26, Mich. **Underwriters**—To be determined by competitive bidding. Probable bidders: White, Weld & Co.; Lehman Brothers; and Halsey, Stuart & Co. Inc.

Michigan Wisconsin Pipe Line Co.

Jan. 10, 1961 it was reported that this subsidiary of American Natural Gas Co., plans to sell about \$30,000,000 of bonds in the first half of 1961. **Proceeds**—For construction. **Office**—500 Griswold Street, Detroit 26, Mich. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Blyth & Co., Inc.

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Midland Enterprises Inc.

April 8 it was stated in the company's annual report that it contemplates the issuance on or before March 31, 1961 of a bond issue in an aggregate amount not to exceed \$4,000,000. **Proceeds**—To finance river transportation equipment presently on order and expected to be ordered. **Office**—Cincinnati, Ohio.

Mississippi Business & Industrial Development Corp.

Nov. 28, 1960 it was reported that the company will issue \$1,000,000 of \$10 par common stock, of which \$500,000 will be subscribed for by utility companies and \$500,000 will be sold to business and industry and the general public. **Business**—To assist via loans, investments, and other business transactions, in the location and expansion of businesses in Mississippi.

Mississippi Power Co. (9/28)

Jan. 4, 1961 it was reported that this subsidiary of The Southern Co., plans to sell publicly \$5,000,000 of 30-year bonds and \$5,000,000 of preferred stock (par \$100). **Proceeds**—For construction and expansion. **Office**—2500 14th St., Gulfport, Miss. **Underwriter**—To be determined by competitive bidding. Previous bidders for bonds were Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly); Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc. Previous bidders for preferred stock included Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly). **Bids**—Expected to be received on Sept. 28.

Monroe Mortgage & Investment Corp.

Dec. 12, 1960, Cecil Carbonell, Chairman, announced that this company is preparing a "Reg. A" filing covering 150,000 shares of common stock. **Price**—\$2 per share. **Business**—The company is engaged in first mortgage financing of residential and business properties in the Florida Keys. **Proceeds**—To expand company's business. **Office**—700 Duval Street, Key West, Fla. **Underwriter**—None. **Registration**—Expected by late February.

Montana-Dakota Utilities Co.

Feb. 6, 1961 it was reported that this company is negotiating for the sale of \$5,000,000 of preferred stock (\$100 par). **Proceeds**—\$3,000,000 will be used to repay bank loans and \$2,000,000 will be added to working capital. **Office**—831 Second Ave., South, Minneapolis, Minn. **Underwriter**—A previous preferred issue was underwritten on negotiated basis by Blyth & Co., and Merrill Lynch, Pierce, Fenner & Smith Inc., New York.

Monticello Lumber & Mfg. Co.

Jan. 3, 1961 it was reported that this company plans a "Reg. A" filing covering 75,000 shares of common stock. **Price**—\$4 per share. **Proceeds**—For equipment, plant expansion and working capital. **Office**—Monticello, N. Y. **Underwriter**—J. Laurence & Co., Inc., 117 Liberty St., New York City. **Registration**—Expected shortly.

Morton Foods, Inc.

Jan. 27, 1961 it was reported that about 175,000 shares of this company's common stock will be offered publicly in April. About 10% will be for selling stockholders and the balance for the company's account. **Price**—Approximately \$12.50 per share. **Underwriter**—Eppler, Guerin & Turner, Inc., Dallas, Tex. (managing).

Nedick's Stores, Inc.

Feb. 1, 1961 it was reported that a filing of approximately 185,000 shares of common stock will be made soon. **Office**—513 W. 166th Street, New York City. **Underwriter**—Van Alstyne, Noel & Co., New York City. **Registration**—Expected by mid-February. **Offering**—Expected by mid-March.

New Eng' and Power Co.

Jan. 24, 1961 it was reported that this subsidiary of New England Electric System plans to sell \$20,000,000 of first mortgage bonds. **Office**—441 Stuart St., Boston 16, Mass. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co.; Equitable Securities Corp., and Blair & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.; Kidder, Peabody & Co., and White, Weld & Co. (jointly); First Boston Corp.; Lehman Brothers. **Offering**—Expected in October.

New Orleans Public Service, Inc. (5/25)

Nov. 10, 1960 it was reported that an issue of \$15,000,000 of first mortgage bonds is expected in May, 1961. **Office**—317 Baronne St., New Orleans, La. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Lee Higginson Corp.; Equitable Securities Corp. and Eastman Dillon, Union Securities & Co. (jointly); Kidder, Peabody & Co. and Stone & Webster Securities Corp. (jointly); White, Weld & Co.; Salomon Brothers & Hutzler. **Offering**—Expected May 25.

Northern Fibre Glass Co.

Sept. 28, 1960 it was reported that this company is planning to issue 100,000 shares of \$1 par common stock under a letter of notification. **Office**—St. Paul, Minn. **Underwriter**—Irving J. Rice & Co., St. Paul, Minn.

Northern Illinois Gas Co.

Feb. 8, 1961 it was reported that this company plans to raise about \$25,000,000 of new money in 1961. The type of security to be sold has not been determined but it is thought that it might be common stock which would be sold in the late Spring to stockholders through subscription rights. **Office**—50 Fox St., Aurora, Ill. **Underwriters**—To be named. The last rights offering in April 1954 was underwritten by First Boston Corp., and Glore, Forgan & Co., both of New York City.

Northern States Power Co.

Jan. 10, 1961 it was reported that this company plans to sell \$20,000,000 of bonds in the third quarter of 1961. **Offices**—15 So. La Salle Street, Chicago 4, Ill.; 15 So.

Fifth Street, Minneapolis 2, Minn.; 111 Broadway, New York 6, N. Y. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith, Inc.; Kidder, Peabody & Co., and White, Weld & Co. (jointly); First Boston Corp. and Blyth & Co., Inc. (jointly). **Offering**—Expected in August.

One Maiden Lane Fund, Inc.

Feb. 1, 1961 it was reported that registration is expected later this month of 300,000 shares of common stock. **Business**—This is a new mutual fund. **Proceeds**—For investment, mainly in listed convertible debentures and U. S. Treasury Bonds. **Office**—1 Maiden Lane, New York 38, N. Y. **Underwriter**—G. F. Nichols & Co., Inc., 1 Maiden Lane, New York 38, N. Y.

Orange & Rockland Utilities, Inc. (4/20)

Jan. 6, 1961 it was reported that this company plans to sell \$12,000,000 of first mortgage bonds, series G, due April 15, 1991. **Proceeds**—For redemption of \$6,442,000 of first mortgage bonds, series B, due May 1, 1961; for repayment of bank loans and for construction. **Office**—10 North Broadway, Nyack, N. Y. **Underwriters**—To be determined by competitive bidding. Previous bidders: Halsey, Stuart & Co. Inc.; Equitable Securities Corp.; W. C. Langley & Co.; Glore, Forgan & Co. (jointly); First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Eastman Dillon, Union Securities & Co.; Kidder, Peabody & Co., and White, Weld & Co. (jointly). **Bids**—Expected to be received on April 20. **Information Meeting**—Scheduled for 11 a.m. (EST) April 13 at Bankers Trust Co., 16 Wall St., New York City.

Pacific Lighting Corp.

Jan. 3, 1961 it was reported by Paul A. Miller, Treasurer that the company will probably go to the market for \$30,000,000 to \$50,000,000 of new financing in 1961 and that it probably would not be a common stock offering. **Office**—600 California Street, San Francisco 8, Calif.

Pacific Telephone & Telegraph Co.

Jan. 30, 1961 it was reported that this company, controlled by American Tel. & Tel. Co., plans to form a new subsidiary to operate in Washington, Oregon and Idaho. The new concern will acquire the business and properties of the present operating division, known as Pacific Telephone-Northwest, established in February 1960. All of the stock of the new company will be issued to Pacific Telephone, but "as soon as practicable" it will be offered for sale to Pacific Telephone shareholders at a price to be fixed by the Board of Directors. **Office**—140 New Montgomery St., San Francisco, Calif. **Underwriter**—The last offering of common stock to shareholders on Feb. 25, 1960 was not underwritten. However, A T & T, which owns over 90% of the outstanding stock, exercised its rights to subscribe to its prorata share of the offering.

Pankhandle Eastern Pipe Line Co.

Feb. 6, 1961 it was reported that \$65,000,000 of debentures are expected to be offered about mid-1961. **Office**—120 Broadway, New York City. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., and Kidder, Peabody & Co., both of New York City (managing).

Pennsylvania Electric Co.

Jan. 24, 1961 it was reported that this subsidiary of General Public Utilities Corp., plans to sell \$10,000,000 of 30-year first mortgage bonds and \$12,000,000 of debentures. **Office**—222 Levergood St., Johnstown, Pa. **Underwriters**—To be determined by competitive bidding. Probable bidders: Blyth & Co., Inc., and Harriman Ripley & Co. (jointly); First Boston Corp.; Equitable Securities Corp.; Kidder, Peabody & Co.; Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co. **Offering**—Expected in May or June.

Pennsylvania Power Co.

Dec. 14, 1960, it was reported that this company has applied to the SEC for an order under the Holding Company Act, authorizing the issuance of \$878,000 of first mortgage bonds, 3 1/4% series, due 1982. **Proceeds**—For sinking fund purposes. **Office**—19 E. Washington St., New Castle, Pa. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; White, Weld & Co.; Equitable Securities Corp., and Shields & Co. (jointly); Lehman Brothers; Merrill Lynch, Pierce, Fenner & Smith Inc., and Dean Witter & Co. (jointly).

Peoples Gas Light & Coke Co.

Jan. 10, 1961 it was reported that this company plans to sell about \$35,000,000 of first mortgage bonds in 1961. **Proceeds**—To retire maturing bonds and for construction. **Office**—122 So. Michigan Avenue, Chicago 3, Ill. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Glore, Forgan & Co.; First Boston Corp.

Power Chem Industries

Oct. 18, 1960 it was reported that the company plans a "Reg. A" filing of 75,000 shares of common stock, constituting its first public offering. **Business**—The company is in the process of organizing and will manufacture additives for fuel oils. **Proceeds**—For expansion and general corporate purposes. **Office**—645 Forrest Ave., Staten Island, N. Y. **Underwriter**—Ronwin Securities Inc., 645 Forrest Ave., Staten Island, N. Y. **Registration**—Indefinite.

Public Service Co. of Colorado

Dec. 2, 1960, W. D. Virtue, treasurer, stated that company plans the sale of about \$20,000,000 of common stock to be offered stockholders through subscription rights in mid-1961. **Proceeds**—For expansion. **Office**—900 15th St., Denver, Colo. **Underwriter**—Last equity financing handled on a negotiated basis by First Boston Corp.

Public Service Electric & Gas Co.

Jan. 16, 1961 it was reported that this company expects to spend \$150,000,000 on capital improvements in 1961, but has not made definite plans for the financing that

will be required. However, it is possible that the company may sell common stock if market conditions are favorable. **Office**—80 Park Place, Newark, N. J. **Underwriter**—The last sale of common stock on Dec. 15, 1959 was handled by Merrill Lynch, Pierce, Fenner & Smith Inc., and associates.

Radiation Applications, Inc.

Jan. 17, 1961 it was reported that this company is considering a public offering of stock in 1962. **Business**—Develops plastic and chemical materials for the electronics and missile industries, and performs extensive research and development in the fields of atomic energy, extractive metallurgy, plastics, and electrical insulation. Schenley Industries, Inc., owns about 36% of the outstanding stock. **Office**—Long Island City, N. Y. **Underwriter**—To be named. Hayden, Stone & Co., New York, recently handled a private placement of the company's stock.

Rochester Gas & Electric Corp.

Jan. 24, 1961 the company stated it plans to issue about \$15,000,000 of 30-year bonds in September. **Proceeds**—For construction. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; White, Weld & Co. and Shields & Co. (jointly); Kuhn, Loeb & Co.; Salomon Bros. & Hutzler, Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly); Blyth & Co., Inc.; The First Boston Corp.

Second National Bank of New Haven

Jan. 30, 1961 it was reported that stockholders have voted to increase the authorized stock to provide for sale of 13,230 shares of capital stock (par \$12.50) to stockholders on the basis of one share for each 10 shares held of record Jan. 24. **Price**—\$42.50 per share. **Proceeds**—To increase capital. **Office**—1-5 Church St., New Haven, Conn. **Underwriter**—None.

Sierra Pacific Power Co.

Jan. 25, 1961 it was reported that this company expects to sell about \$6,000,000 of bonds and common stock in 1961 or 1962. **Proceeds**—For construction. **Office**—220 South Virginia St., Reno, Nev. **Underwriter**—(Bonds) To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; Dean Witter & Co.; Kidder, Peabody & Co. and White, Weld & Co. (jointly). The last sale of common stock was made to stockholders on March 14, 1960 without underwriting. **Offering**—Expected in May.

Silo's Discount House

Jan. 9, 1961 it was reported that this retail chain is contemplating its first public financing. **Office**—Philadelphia, Pa.

Southern Bell Telephone & Telegraph Co. (3/21)

Jan. 24, 1961 it was reported that this subsidiary of American Telephone & Telegraph Co., plans to sell about \$70,000,000 of debentures. **Proceeds**—To refinance \$70,000,000 of 5 1/2% debentures due 1994 issued on Oct. 21, 1959 at the highest interest rate in the company's history. **Office**—67 Edgewood Ave., S. E., Atlanta 3, Ga. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc., and Morgan Stanley & Co., both of New York City. **Bids**—To be received on March 21.

Southern California Edison Co. (4/4)

Jan. 20, 1961, J. K. Horton, President, stated that the company will require about \$60,000,000 of new financing in 1961. Earlier, the company announced plans for the sale of \$30,000,000 of first and refunding mortgage bonds, series N, due 1986. **Proceeds**—To retire short-term debt and for construction. **Office**—601 West Fifth St., Los Angeles 53, Calif. **Underwriters**—To be determined by competitive bidding. Probable bidders: First Boston Corp.; Dean Witter & Co.; Halsey, Stuart & Co. Inc.; Blyth & Co., Inc., all of New York City. **Bids**—To be received at the company's Los Angeles office on April 4, 1961 at 8:30 a.m. (PST).

Southern Electric Generating Co. (6/15)

Jan. 4, 1961 it was reported that this company, jointly owned by Alabama Power Co., and Georgia Power Co., both in turn controlled by The Southern Co., plans the public sale of \$27,000,000 first mortgage bonds due June 1, 1992. **Proceeds**—For expansion. **Office**—600 North Eighteenth St., Birmingham 3, Ala. **Underwriters**—To be determined by competitive bidding. Previous bidders included Merrill Lynch, Pierce, Fenner & Smith Inc., and Blyth & Co., Inc., (jointly); Morgan Stanley & Co., White, Weld & Co., and Kidder, Peabody & Co. (jointly); Eastman Dillon, Union Securities & Co., Equitable Securities Corp. and Drexel & Co. (jointly); First Boston Corp.; and Halsey, Stuart & Co. Inc. **Registration**—Expected about May 8. **Bids**—To be received at 11 a.m. on June 15.

Southern Natural Gas Co.

Oct. 28, 1960 it was reported by Mr. Loren Fitch, company comptroller, that the utility is contemplating the sale of \$35,000,000 of 20-year first mortgage bonds sometime in 1961, with the precise timing depending on market conditions. **Proceeds**—To retire bank loans. **Office**—Watts Building, Birmingham, Ala. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Blyth & Co. and Kidder, Peabody & Co. (jointly).

Southern Railway Co.

Nov. 21, 1960 stockholders approved the issuance of \$33,000,000 of new bonds. The issuance of an unspecified amount of additional bonds for other purchases was also approved. **Proceeds**—For general corporate purposes, including the possible acquisition of Central of Georgia Ry. **Office**—Washington, D. C. **Underwriter**—Halsey, Stuart & Co. Inc., will head a group that will bid on the bonds.

Spiegel, Inc.

Jan. 17, 1961 it was reported that financing is being considered for this year, but details have not been decided upon. **Business**—The company is engaged in the sale of merchandise by mail, principally on a monthly payment basis. **Office**—1061 W. 35th St., Chicago 9, Ill. **Underwriter**—To be named. The last sale of securities consisted of \$15,417,500 of 5% convertible debentures, due 1984, which were sold to stockholders through subscription rights in June 1959. The offering was underwritten by Wertheim & Co., New York.

Swift & Co.

Feb. 7, 1961 it was reported that stockholders voted Jan. 26 to authorize the company to issue up to \$35,000,000 of convertible debentures, and to increase authorized common from 6,000,000 to 8,000,000 shares to provide additional underlying shares for the proposed convertible issue. **Proceeds**—For expansion and working capital. **Office**—Union Stock Yards, Chicago 9, Ill. **Underwriter**—To be named. The last issue of debentures in October 1958 was placed privately through Salomon Bros. & Hutzler, New York City.

Texas Gas Transmission Corp.

Jan. 11, 1961 it was reported that this company plans to sell \$10,000,000 to \$15,000,000 of bonds in the third quarter of 1961. **Office**—416 West Third Street, Owensboro, Ky. **Underwriter**—Dillon, Read & Co., New York City.

Traid Corp.

Jan. 4, 1961 it was reported that this company is contemplating some new financing. No confirmation was available. **Business**—The company specializes in airborne photo instrumentation and manufactures aircraft motion picture cameras and accessory items. **Office**—Encino, Calif. **Underwriter**—Previous financing was handled by D. A. Lomasney & Co., New York City.

Transcontinental Gas Pipe Line Corp.

Jan. 17, 1961 it was reported that this company plans to spend \$100,000,000 to expand its pipeline system, which brings natural gas to the New York City area. It was stated that the company expects to raise up to \$50,000,000 this spring, by the sale of bonds, debentures or preferred stock. The type of securities offered will depend on FPC approval and the successful completion of a court case now in progress. **Office**—3100 Travis St., Houston, Tex. **Underwriters**—To be named. The last sale of bonds in April 1960 was handled by White, Weld & Co., and Stone & Webster Securities Corp., both of New York City.

Tronomatic Corp.

Dec. 20, 1960, it was reported that a letter of notification consisting of 65,000 shares of common stock will be filed for the company. **Price**—\$4 per share. **Proceeds**—For new product development and sales promotion. **Business**—The manufacture of plastic forming, molding and fabricating equipment. **Office**—25 Bruckner Blvd., Bronx, N. Y. **Underwriter**—Plymouth Securities Corp., New York City. **Registration**—Expected in late February.

Trunkline Gas Co.

Feb. 6, 1961 it was reported that approximately \$15,000,000 of bonds and \$5,000,000 of preferred stock are expected to be offered about mid-1961. **Office**—120 Broadway, New York City. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., and Kidder, Peabody & Co., both of New York City (managing).

Union Electric Co.

Jan. 19, 1961 it was reported that this company plans to sell \$20,000,000 to \$30,000,000 of preferred in late 1961. **Proceeds**—For expansion of facilities. **Office**—315 N. 12th Blvd., St. Louis, Mo. **Underwriter**—To be determined by competitive bidding. The last sale of preferred in November 1949 was underwritten by First Boston Corp.; Dillon, Read & Co., Lehman Brothers; White, Weld & Co. and Shields & Co. (jointly); and Blyth & Co.

United Aircraft Corp.

Feb. 15, 1961 it was reported that this company is considering issuance of \$50,000,000 of bonds to replace a seven-year term loan. **Office**—400 Main St., East Hartford, Conn. **Underwriter**—To be named. The company has never issued bonds, but its last offering of preferred stock on Sept. 17, 1956 was underwritten by Harriman Ripley & Co., Inc., New York and associates.

Universal Oil Products Co.

Jan. 17, 1961 it was reported that this company may require financing either through bank borrowings or the sale of debentures in order to further expansion in a major field which the company would not identify. No decision has been made on whether the product, named "Compound X," will be produced. **Business**—The company is a major petroleum and chemical research and process development concern. **Office**—30 Algonquin Rd., Des Plaines, Ill. **Underwriter**—To be named. The company has never sold debentures before. However, the last sale of common stock on Feb. 5, 1959 was handled by Lehman Brothers, Smith, Barney & Co., and Merrill Lynch, Pierce, Fenner & Smith Inc., all of New York City.

Virginia Electric & Power Co. (6/13)

Jan. 17, 1961 the company announced plans to sell \$30,000,000 of first mortgage bonds. **Office**—Richmond 9, Va. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; Eastman Dillon, Union Securities & Co.; Salomon Bros. & Hutzler; Goldman, Sachs & Co. **Bids**—Scheduled for June 13 at 11 a.m. (EST).

Waldorf Auto Leasing Inc.

Jan. 16, 1961 it was reported that this company plans a "Reg. A" filing covering 100,000 shares of common stock. **Price**—\$3 per share. **Proceeds**—For general corporate purposes. **Office**—2015 Coney Island Ave., Brooklyn, N. Y. **Underwriters**—Martinelli & Co., 79 Wall St., V. K. Osborne & Sons, Inc., 40 Exchange Place, First Atlantic Securities Co., 160 Broadway, New York City. **Registration**—Expected by late February.

Washington Natural Gas Co.

Jan. 16, 1961 it was reported that this company may raise about \$4,000,000 in the spring of 1961 through bank loans, or a public offering of securities. **Office**—1507 Fourth Ave., Seattle, Wash. **Underwriter**—The last public offering comprising common stock, was made in September 1958 through Dean Witter & Co., San Francisco.

Welch Scientific Corp.

Feb. 15, 1961 it was reported that registration is expected in late February on an undisclosed number of common shares. **Underwriter**—Hornblower & Weeks, New York City.

Western Reserve Life Assurance Co. of Ohio

Jan. 30, 1961 it was reported that stockholders are to vote at the annual meeting in April on increasing authorized stock to provide for sale of about \$1,250,000 of additional common to stockholders through subscription rights. **Proceeds**—To increase capital funds. **Office**—1 Union Commerce Annex, Cleveland 14, Ohio. **Underwriters**—McDonald & Co. and Ball, Burge & Kraus, Cleveland.

Western Union Telegraph Co.

Jan. 16, 1961 it was reported that this company filed a plan with the FCC to transfer its Atlantic cable system to a newly organized company, Western Union International, Inc. The plan provides for the issuance by Western Union International of about \$4,000,000 of subordinated debentures and 400,000 shares of class A stock to be offered to stockholders of Western Union Telegraph Co. In addition, American Securities Corp., New York City, would purchase from Western Union International about 133,000 additional shares of class A stock giving American Securities ownership of approximately 25% of the outstanding class A stock of WUI. Then Western Union Telegraph would purchase 250,000 shares of class B stock for \$100,000. **Office**—60 Hudson St., New York City. **Underwriter**—American Securities Corp. (managing).

Wisconsin Power & Light Co.

Jan. 19, 1961 it was reported that this company plans to sell about \$6,500,000 of preferred stock in the third quarter of 1961. **Proceeds**—For expansion. **Underwriters**—The last sale of preferred stock in May, 1958 was handled by Smith, Barney & Co., New York and Robert W. Baird & Co., Inc., Milwaukee (jointly).

Wisconsin Southern Gas Co.

Dec. 12, 1960 it was reported in a company prospectus that an undetermined amount of capital stock or bonds will be sold in 1961-1962. **Proceeds**—For the repayment of short-term bank loans incurred for property additions. **Office**—Sheridan Springs Road, Lake Geneva, Wis. **Underwriter**—The Milwaukee Co., Milwaukee, Wis. (managing).

American S.E. Elects Officers

Joseph F. Reilly has been re-elected Chairman of the American Stock Exchange Board of Governors at the members' annual election, according to an announcement by Edward T. McCormick, President. An exchange member for 31 years, and a former page



Joseph F. Reilly



Howard B. Dean



George B. Lawrence



Edward W. Kraebel



Fred W. Nuppnau

boy on the trading floor of the old New York Curb Market, Mr. Reilly has served two terms as Vice-Chairman of the Board and has served on most of the market's principal committees.

Mr. Reilly, who has also worked as a telephone clerk on the New York Curb Exchange, obtained his regular membership in 1936 and was elected to the board in 1951, 1954 and 1958, for three-year terms in each case. He was elected Vice-Chairman in 1958 and 1959 and Chairman in 1960.

Elected to board posts for the first time as regular-member Governors were Edward W. Kraebel, Mabon & Co. and Fred W. Nuppnau, Halden & Co. for three and two-year terms, respectively.

Also elected for the first time were Howard B. Dean, Harris, Upham & Co., and George B. Lawrence, Walston & Co., Inc. for three years as nonregular-member Governors.

Also elected as regular-member Governors for three-year terms were Vanderpoel Adriance, Jr., Adriance & Finn; James R. Dyer, who served four consecutive terms as Board Chairman; James A. Herman, at L. W. Herman and Edwin P. Wheeler, at John V. Dunne & Co., all of whom have served in the past.

Elected as nonregular-member Governors, also for three-year terms, were Louis J. Pugliese, Filor Bullard & Smyth and Leo G. Shaw, Ladenburg, Thalmann & Co., both of whom have served before.

Charles M. Finn, Adriance & Finn, and Bernard Teichgraber, Thomson & McKinnon, were elected trustees of the gratuity fund.

Under the Control?

Q.—"Do you have any intention to expand the authority of the Presidency with respect to domestic interest rates?"

A.—"No. . . ."

"What, of course, we are interested in is to see the short-term rates remain high enough to protect our gold, while the long-term rates be reduced somewhat in order to stimulate the economy. But this is a matter under the control, of course, directly, of the Federal Reserve Board, with the Treasury having, of course, a direct interest in it.

"But it is not intended, to answer your question, that we would propose any legislation or any Executive orders which would increase our control directly over long-term rates."—Extracted from President Kennedy's February 8 news conference.

Under the control, directly, of the Federal Reserve Board? The President says that consultations have occurred with the Board on the matter. We should imagine that after such consultations much less confidence that this matter is really "under the control" of the Federal Reserve would remain—if the Board is to take its real duties seriously and responsibly.

Bank of Montreal Appointments

Appointment of Gordon V. Adams as an Assistant General Manager of the Bank of Montreal has been announced by G. Arnold Hart, President and Chief Executive Officer. Mr. Adams, who has been in charge of the bank's New York agency, 2 Wall Street, since 1958, will continue as chief agent in New York, but, as an assistant general manager of the bank he will become a member of the bank's senior executive group. Mr. Adams has had extensive service with the bank in Canada, Mexico and the U. S.

In addition, John H. F. Turner, O. B. E., Senior Assistant General Manager of the Bank of Montreal, has been appointed to a newly-created post as Assistant General Manager in charge of the bank's European division and as Manager of the main office in London, England, where he will have his headquarters. In announcing the appointment, Mr. Hart indicated that it was made in recognition of the growing importance which the bank is attaching to its European operations. Mr. Turner is now in charge of the bank's western division at the head office, Montreal.

Van Alstyne, Noel Admits W. T. Murphy

William T. Murphy has been admitted to general partnership in the New York and American Stock Exchange member firm of Van Alstyne, Noel & Co., 40 Wall St., New York City. A member of the American Exchange, Mr. Murphy was formerly a partner with Oscar Gruss & Sons.

Merrill Lynch's President Urges Tax Reform Measures

Three-step analytical method employed by Mr. McCarthy "describes" the present treatment of capital gains, double taxation, foreign profits, corporate taxation, and depreciation allowance; "proposes" reforms for each, and "concludes" enactment of suggested reforms would increase tax revenues, stimulate investments, and assist our balance of payments.

The 1960 annual report for Merrill Lynch, Pierce, Fenner & Smith, Inc., New York City, called for decided changes in five areas of our Internal Revenue Code applicable to investors and the rate of the economy's growth.

In the report released Feb. 14, 1961, Michael W. McCarthy, President of the world's largest brokerage concern, stated:

"There is general agreement among economists, politicians, businessmen and the average taxpayer that our Federal tax structure is badly in need of a complete overhaul. With a new Administration in Washington we are sincerely hopeful that something constructive will be done. We realize enactment of major legislation takes a long time but we are convinced a start should be made."

"Because of the direct and indirect impact on the U. S. economy and our customers we urge revisions and improvements in at least five areas of the Internal Revenue Code. Here they are:

Capital Gains

"The Law: Broadly phrased, the gains realized on sales of capital assets held six months or less are taxed at full rates and gains realized on sales of capital assets held more than six months are taxed at a maximum of 25%."

"We Propose: The holding period should be greatly shortened and the maximum tax reduced to 12½% as it was in the Twenties. We further propose the deferment of any tax if proceeds of sales are reinvested within a certain period of time. This concept already applies to sale and purchase of a home."

"Probable Results: More fluidity in the capital markets which are the lifeline of the free enterprise system. We know thousands and thousands of investors who sit pat on large profits because they refuse to pay a self-imposed tax. We know others who dislike to sell because their capital (savings) is reduced after they pay the capital gains tax. This also lowers their income. This situation tends to accentuate the ups and downs in security prices. Because investors would be more inclined to voluntarily pay this tax at a lower rate, we firmly believe a shorter holding period and a lower tax would increase revenues to the Government."

Double Taxation

"The Law: Double taxation of dividends — the corporation pays a Federal income tax before it disburses the dividend and the recipient pays another tax. The present law allows a dividend exclusion up to \$50 a year and a credit of 4% on all other qualifying dividends."

"We Propose: Increase the dividend exclusion to at least \$200 and increase the dividend credit to 20%. Canada, for example, has had a 20% dividend credit since 1953."

"Probable Results: Aside from easing an obvious inequity in the

law, some 12,500,000 investors would receive a greater return from the money they have had the faith and frugality to invest. A change in the law would help millions of retired people who depend on investment income. This in turn would encourage more citizens to invest and thus stimulate the national growth and expansion everyone deems vital."

Corporate Taxation

"The Law: Except in a few cases, corporations pay 52% Federal income taxes on profits above \$25,000 a year. The rate was 38% in 1949 and 15% in 1936."

"We Propose: A complete modernization of corporate income taxes along the lines of the new and highly successful technique in West Germany. After the war, West German authorities discarded the old corporate tax set-up and substituted a simple but effective formula: retained earnings are now taxed at 51%, while earnings paid in dividends are taxed at only 15%. In addition to lower corporate taxes, personal income taxes in West Germany reach a maximum of 53%, compared with 91% in the U. S. In certain middle income brackets, however, West German personal taxes are higher than ours."

"Probable Results: The amazing economic recovery of West Germany has startled the world. In large part this has been due to the willingness of thousands of German citizens to invest in private enterprise because they were assured of reasonable tax treatment. They frequently invested when there was nothing but bomb scars from World War II. In so doing they not only created jobs and production but stemmed inflation and made their currency one of the strongest in the world."

Depreciation Schedules

"The Law: Inadequate depreciation allowances. These are particularly onerous at this time when rapid-fire technical and scientific advances frequently obsolete a machine tool or a whole factory long before it can be written off the books. In consequence many companies are unable to maintain their competitive position."

"We Propose: More realistic depreciation schedules closely related to replacement cost and obsolescence. Helped by fast write-offs, the nation's productive capacity literally exploded during the war."

"Probable Results: The Conference Board projects this country will need a minimum of \$70 billion a year new private capital spending by 1970 just to maintain our historic growth rate. This projection is in terms of 1959 dollars and compares with \$48 billion in 1960. Liberalized depreciation allowances would spur more private capital expenditures. New and efficient plants would permit us to compete more effectively in world markets. Meantime many of the new factories and laboratories would make money and thus increase tax returns to the Government."

Foreign Profits

"The Law: Profits from foreign operations of subsidiaries of U. S. companies are taxed at full rates (less credit for foreign taxes), when those profits are brought into this country."

"We Propose: A two-year moratorium during which U. S. profits

earned abroad could be brought home at lower rates. As a starter it could be 30%."

"Probable Results: Many dollars stamped 'Made by U. S. A.' would come home. They are now ensconced around the world because their owners dislike to pay the additional stiff Federal income tax to bring them back. A return trip would bolster the dollar and at least check the outflow of gold which has many thinking people seriously concerned."

"We know that in this period of titanic government expense it is futile to propose lower taxes if these cuts will reduce Federal income. But we believe these proposals would actually increase Federal revenues because they are more palatable to the taxpayers and would help keep money in motion."

"Most taxes come from working dollars not idle cash. It should be remembered that a mere 5% increase in our over-all economy would add several billions of dollars to Federal revenues."

"Our nation stands before the world as an outstanding example of a successful free enterprise system. Tax legislation should encourage and promote business activity and private investment rather than discourage it. Increased growth of our economy would benefit everyone—workers, farmers, housewives and the retired. As never before we should prove the worth of our system of government and its flexibility to perpetuate and improve our way of life."

Edwards Indust. Common Offered

Joseph Nadler & Co. Inc. of New York City, is managing a group offering 100,000 shares of the 50c par common stock of Edwards Industries Inc. at \$4.50 per share.

The company is engaged in the manufacture and sale of prefabricated building components, including kitchen cabinets and specialty items; in the distribution and local processing of glass used in homes, buildings and automobiles; in the servicing of automobiles, trucks and construction equipment; in the sale of Rambler cars and Jeep vehicles; in the development of metropolitan and suburban land, and in the planning, construction, financing and sale of homes. The company is one of the major builders of homes in the Pacific Northwest.

At the conclusion of the underwriting, the effective control of the company will be retained by the officers and directors who collectively will own 45% of the shares then outstanding.

Federal I. C. Banks Offer Debentures

The Federal Intermediate Credit Banks offered on Feb. 15 a new issue of approximately \$205,000,000 3½% nine-month debentures dated March 1, 1961 and maturing Dec. 4, 1961. The debentures are priced at par.

Proceeds from the financing will be used to refund \$168,000,000 4½% debentures maturing March 1, 1961 and for lending operations. The 3.15% debentures maturing Sept. 5, 1961 were reopened in the amount of \$5,000,000 and sold at the market at a net price.

The new issue is being offered through John T. Knox, Fiscal Agent and a nationwide selling group of recognized dealers in securities.

Miller & Co. Opens

(Special to THE FINANCIAL CHRONICLE)

SALEM, Ore.—Miller and Co. has been formed with offices at 167 High Street, Southeast, to engage in a securities business.

Businessman's BOOKSHELF

Arbitration of Labor Disputes—Revised edition—Clarence M. Updegraff—Bureau of National Affairs, Inc., 1231 Twenty-fourth St., N. W., Washington 7, D. C., \$8.50.

Asset Allocation—A report—New York State Bankers Association, 405 Lexington Ave., New York 17, N. Y. (paper), \$1.50.

Canadian Dollar: The Myth and the Reality—Wm. Stix Wasserman & Co., Inc., 70 Pine Street, New York 5, N. Y. (paper).

Capital Requirements for Urban Development and Renewal—John W. Dyckman—McGraw-Hill, 327 West 41st Street, New York, 36, N. Y., \$11.50.

Congo: Health—In the November-December 1960 issue of "World Health"—Columbia University Press, International Documents Service, 2960 Broadway, New York 27, N. Y. (paper), 30¢ per copy.

Congo: Republic of the Congo—Illustrated Brochure—Press & Information Service, French Embassy, 972 Fifth Avenue, New York, N. Y. (paper).

Credit Manual of Commercial Laws—1961 Edition—National Association of Credit Management, 44 East 23rd Street New York 10, N. Y. (cloth), \$12.50.

Current Economic Situation and Short Run Outlook—Hearings before the Joint Economic Committee—Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. (paper), 70 cents.

Cycles—February, 1961 issue containing articles on Stock Market Cycles; Yearly cycle in Carrier common; Geisinger Indicator, etc.—Foundation for the Study of Cycles, 680 West End Avenue, New York 25, N. Y., \$12.50 per year.

Decade of Incentive—A Marketing Profile of the First Two Years of the '60s—McCann-Erickson, Inc., 485 Lexington Avenue, New York 17, N. Y. (paper).

Economic Report of the President Transmitted to Congress—Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. (paper) \$1.

Estate Planning—A bibliography—Business Literature, Public Library of Newark, N. J., 34 Commerce Street, Newark, N. J. (paper), 40¢.

Freeman, February 1961—Containing Articles on Profit & Public Relations; Free Collective Bargaining; Methods of Capitalism; Private Property and Freedom, etc.—Foundation for Economic Education, Inc., Irvington-on-Hudson, N. Y. (paper) 50¢.

French Economic & Technical Bulletin—Containing articles on Development of Atomic Power in France; French Meteorological Instruments and Equipment, etc.—Economic Section, French Embassy, 610 Fifth Avenue, New York 20, N. Y. (paper).

Goals of Economic Policy—Chamber of Commerce of the United States, Washington 6, D. C. (paper), 50¢ (quantity prices on request).

Gold Regulations—Prohibition on Holding Gold Abroad by U. S. Nations—Federal Reserve Bank of New York, New York, N. Y. (paper).

Guide to Success in the Stock Market: Guide to the market; stocks for the surging sixties; stop-loss orders; tax-exempt income; and mutual funds explained—Sponsored by New York Security Dealers Association and Edited by Ira U. Cobligh—Avon

Book Division, Hearst Corp., 959 Eighth Ave., New York 19, N. Y.—paper, 35 cents (by special arrangement brokers may obtain in quantities [minimum quantity 25] from New York Security Dealers Association, 26 Broadway, New York 4, N. Y. at a cost of 20 cents per copy).

Incentive Savings Plans—Capsule descriptions of 22 ideas for savings development by banks—Savings Division, American Bankers Association, 12 East 36th St., New York 16, N. Y. (paper), \$1.

Investment Portfolio Management in the Commercial Bank—Roger A. Lyon—Rutgers University Press, New Brunswick, N. J. (cloth), \$4.50.

Is There a U. S. Payments Crisis? Edna Gass—United States-Japan Trade Council, 1000 Connecticut Avenue, Washington 6, D. C. (paper).

It Is Not Too Late in Latin America: Proposals for Action Now—J. Peter Grace—W. R. Grace & Co., 7 Hanover Square, New York, N. Y. (paper).

Labor Market and Plant Location—Martin Segal—Amos Tuck School of Business Administration, Dartmouth College, Hanover, N. H. (paper).

NASD and the Registered Representative—Booklet designed for people who work for brokers and dealers, specifically those who sell securities to explain business conduct rules they must observe—National Association of Securities Dealers, Inc., 1707 H Street, N. W., Washington 6, D. C. (paper).

Newly Independent Nations—A series of pamphlets issued by the State Department: India, Israel, Jordan, Libya, Pakistan, Philippines, Malaya, Sudan, Viet-Nam (5 cents each); Korea (15 cents); Ghana (10 cents)—Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C.

Niagara Power Project—Progress Report—Power Authority of the State of New York, Albany, N. Y.

Outlook for Business and Stock Prices—28th annual appraisal—11 page study available as part of weekly Business & Investment Timing Service—3 months' trial subscription \$10.00—Anthony Gaubis & Co., 122 East 42nd St., New York 17, N. Y.

Policies and Practices of United States Subsidiaries in Canada—Canadian-American Committee—National Planning Association, 1606 New Hampshire Avenue, N. W., Washington 9, D. C. (paper), \$2.

Reflections of a Trustman—Compilation of articles by Gilbert T. Stephenson in the American Bankers Association "Trust Bulletin"—Department of Printing, American Bankers Association, 12 East 36th Street, New York 16, N. Y. (cloth), \$7.50.

Silver Market in 1960—45th Annual Review—Handy & Harman, 82 Fulton Street, New York 7, N. Y. (paper).

South African Tradition—Booklet surveying culture and art in the Union of South Africa—Information Service of South Africa, 655 Madison Avenue, New York 21, N. Y. (paper), on request.

Trachtenberg Speed System of Basic Mathematics—New method for high speed multiplication, division, addition, subtraction and square root—Jacow Trachtenberg—Translated and adapted by Ann Cutler and Rudolph McShane—Doubleday & Company, Inc., 575 Madison Avenue, New York 22, N. Y. (cloth), \$4.95.

Twentieth Century Common Sense and the American Crisis of the 1960's—American Institute for Economic Research, Great Barrington, Mass. (paper), \$1 (quantity prices on request).

Your Investments—Leo Barnes—Revised edition—American Research Council, Larchmont, N. Y. (paper), \$3.95.

The Security I Like Best

Continued from page 2

shares at \$12.625 per share. There are now 584,651 shares outstanding. In addition, there may be issued in the future up to 140,000 shares in connection with exercise of warrants, options and the conversion of subordinate notes. Although the initial maximum dilution therefrom would appear to be 19.3%, it may be considerably less in the view of the earnings which should be made on the proceeds from the exercise of the warrants and the option. Most of the warrants, options and convertible notes were in connection with \$800,000 of long-term debt issued in November, 1959. No further outside financing should be required for some time to come, but the company's rapid growth should make the payment of cash dividends unlikely in the near future.

Radio Shack's common stock appears to offer the stability of retail distribution combined with the growth of electronics. Indus-

trial uses of electronics items should expand with advancing technology and the trend to greater automation and home uses should grow as hobbyists enjoy their leisure time and higher incomes. With its young and aggressive management, Radio Shack should exploit these conditions well through its breadth and depth of inventories, diversified channels of distribution, financial resources and ability to offer private brand products. The stock is traded in the Over-the-Counter market.

Americana Prop. Stock All Sold

Plymouth Securities Corp., 92 Liberty Street, New York, offered and sold 100,000 shares of common stock of Americana Properties, Inc. at \$6 per share.

The company owns and operates a large shipping plaza and a 40-lane bowling establishment at Oakdale, L. I.; a shipping area and 40-lane establishment at Roosevelt, L. I., and a recently constructed 64-lane bowling facility at Ozone Park, Queens, N. Y.

Five With Hooker & Fay

(Special to THE FINANCIAL CHRONICLE)
SAN FRANCISCO, Calif. — Thomas F. Foley, Paul H. Joosten, Walter M. Scott, William M. Simonson and Leonard J. Swiger have become associated with Hooker & Fay, Inc., 221 Montgomery Street, members of the New York and Pacific Coast Stock Exchanges. Mr. Joosten and Mr. Simonson were formerly with Pacific Coast Securities Co. Messrs. Foley, Scott & Swiger were with Dempsey-Tegeler & Co.

DIVIDEND NOTICES

GOULD-NATIONAL BATTERIES, INC.

Manufacturers of a complete line of automotive, industrial and military storage batteries plus motive specialties.

A REGULAR QUARTERLY DIVIDEND of 30c per share on Common Stock, was declared by the Board of Directors on January 10, 1961 payable March 15, 1961 to stockholders of record on March 1, 1961.



A. H. DAGGETT
Chairman

ST. PAUL, MINN.

BRITISH-AMERICAN TOBACCO COMPANY, LIMITED

NOTICE OF DIVIDENDS TO HOLDERS OF ORDINARY AND PREFERENCE STOCK WARRANTS TO BEARER.

The first interim dividend on the Ordinary Stock for the year ending 30th September 1961 of seven pence for each Ten Shillings of Ordinary Stock (free of United Kingdom Income Tax) will be payable on the 30th March 1961.

Holders of Bearer Stock, to obtain this dividend, must deposit Coupon No. 241 with the Morgan Guaranty Trust Company of New York, 33 Lombard Street, London, E.C. 3, for examination five clear business days (excluding Saturday) before payment is made.

The usual half-yearly dividend of 2½% on the 5% Preference Stock (less United Kingdom Income Tax) for the year ending 30th September next will also be payable on the 30th March 1961. Coupon No. 115 must be deposited with the National Provincial Bank Limited, Savoy Court, Strand, London, W.C. 2, for examination five clear business days (excluding Saturday) before payment is made.

The Directors have recommended to the Stockholders the payment, on the 31st May 1961, of a final dividend on the issued Ordinary Stock for the year ended 30th September 1960 of one shilling for each Ten Shillings of Ordinary Stock (free of United Kingdom Income Tax).

To obtain this dividend (subject to the same being sanctioned at the Annual General Meeting to be held on the 23rd March 1961) on or after the 31st May next holders of Ordinary Stock Warrants must deposit Coupon No. 242 with the Morgan Guaranty Trust Company of New York, 33 Lombard Street, London, E.C. 3, five clear business days (excluding Saturday) before payment can be made.

DATED the 13th February 1961

BY ORDER OF THE BOARD

A. D. MCCORMICK
Secretary.

Westminster House,
7, Millbank,
London, S.W.1

Stockholders who may be entitled by virtue of Article XIII(1) of the Double Taxation Treaty between the United States and the United Kingdom, to a tax credit under Section 901 of the United States Internal Revenue Code can by application to Morgan Guaranty Trust Company of New York obtain certificates giving particulars of rates of United Kingdom Income Tax appropriate to all the above mentioned dividends.

Navajo Freight Common Offered

Pursuant to a Feb. 10, 1961 prospectus, Lowell, Murphy & Co., Denver, Colo., offered publicly 61,000 shares of common stock (par \$1) of Navajo Freight Lines, Inc., at \$12 per share.

The company, of 1205 So. Plate River Drive, Denver, Colo., is in

the transcontinental freight hauling business and will use the proceeds to repay bank loans.

H. W. Wainwright Adds

(Special to THE FINANCIAL CHRONICLE)
BOSTON, Mass.—Geoffrey Ward has been added to the staff of H. C. Wainwright & Co., 60 State Street, members of the New York and Boston Stock Exchange.

DIVIDEND NOTICE

THE FOLLOWING STATEMENT HAS BEEN MADE BY THE SECRETARY, BRITISH-AMERICAN TOBACCO COMPANY, LIMITED

1. At a Meeting of the Directors held today, it was decided to recommend to the Stockholders at the Annual General Meeting, which was fixed to be held on the 23rd March next, the payment on the 31st May next of a final dividend for the year ended 30th September, 1960 of one shilling (free of United Kingdom Income Tax) per 10/- Ordinary Stock (1959—11d.) making, with the interim dividends already paid, a total for the year of two shillings, two pence (free of United Kingdom Income Tax) per 10/- of Ordinary Stock (1959—2/-d, excluding the Special Interim Dividend of 2d. paid in view of the provisions of the Finance Act, 1958 relating to Profits Tax on distributed profits, but not taken into account in considering the other dividends for the year).

2. If the payment of the final dividend is confirmed, transfers received in order at the Stock Transfer Office of the Company at Haymarket House, Oxendon Street, London, S.W.1 up to the 25th April next will be in time to be passed for payment of the dividend to the transferee. In the case of Bearer Warrants, the dividend will be paid against the deposit of Coupon No. 242.

3. The Directors also decided to declare a first interim dividend in respect of the year to 30th September, 1961 of seven pence per 10/- of Ordinary Stock (free of United Kingdom Income Tax) payable on the 30th March next.

4. Transfers received in order at the Stock Transfer Office of the Company up to the 22nd February will be in time to be passed for payment of this interim dividend to the transferee. In the case of Bearer Warrants, the dividend will be paid against the deposit of Coupon No. 241.

5. The results of the Group's operations for the year may be summarised as follows:—

	Years to 30th September	
	1960	1959
The Consolidated Profit, before taxation, is—	£62,509,167	£55,894,156
from which must be deducted:—		
United Kingdom Taxation	4,210,664	4,382,345
Overseas Taxation	24,973,422	21,361,890
Outside Shareholders' interests in profits	3,962,061	2,964,078
Leaving Group Net Profit	29,363,020	27,185,843

The proportion of the Group Net Profit dealt with in the Accounts of British-American Tobacco Company Limited is £11,788,252 (1959—£11,246,111). From the Group Net Profit £4,000,000 (1959—£5,400,000) has been transferred to Fixed Asset and Stock Replacement Reserves (see Paragraph 7 below). No part of this transfer related to British-American Tobacco Company Limited (1959—£400,000). Thus Group Available Net Profit is £25,363,020 (1959—£21,785,843), of which the British-American Tobacco Company Limited proportion is £11,788,252 (1959—£10,846,111).

6. The balance brought forward from the previous year by British-American Tobacco Company Limited is £1,664,909 (1959—£2,216,797), making total available profits £13,453,161 (1959—£13,062,908) out of which appropriations are as follows:—

	1960	1959
Preference dividends (net)	358,312	352,969
Interim Ordinary dividends paid—		
7d. per 10/- Stock paid 31/3/60	2,771,739	2,375,776
7d. per 10/- Stock paid 30/9/60	2,771,739	2,771,739
(1959—1/1d. per 10/- Ordinary Stock)		
Special Interim Dividend on Ordinary Stock (see Paragraph 1)	—	791,925
Transfer to General Reserve	1,000,000	750,000
Final Dividend proposed		
1s./Od. d. per 10/- Ordinary Stock (1959—11d.)	4,751,552	4,355,590
Leaving a balance to be carried forward of	£1,799,819	£1,664,909

7. The transfers to Fixed Asset and Stock Replacement Reserves represent an estimate of the amounts which, having regard to changes in price levels, should, in the opinion of the Directors, be retained out of Group profits towards maintaining over the year that part of the real capital of each company in the Group represented by Fixed Assets and Stocks.

8. There have been changes over the year in the rates of exchange applicable to the conversion to sterling for consolidation purposes of the current assets and liabilities of certain of the Overseas Subsidiaries. The proportion attributable to British-American Tobacco Company Limited of the net resulting difference on exchange of £712,574 (1959—£696,795) has been charged against Reserves in the Consolidated Balance Sheet.

9. At the above mentioned Board Meeting, it was also decided to pay, on the 30th March next, the half-yearly dividend due on the 5% Preference Stock amounting to 6d. for each £1 unit of Preference Stock, less United Kingdom Income Tax. Transfers received in order at the Stock Transfer Office of the Company up to the 22nd February will be in time to be passed for payment of this dividend to the transferee. In the case of Bearer Warrants, the dividend will be paid against the deposit of Coupon No. 115.

10. The Directors have also decided to pay, on the 28th April next, the half-yearly dividend due on the 6% Preference Stock amounting to 7.2d. for each £1 unit of Preference Stock, less United Kingdom Income Tax. Transfers received in order at the Stock Transfer Office of the Company up to the 5th April next will be in time to be passed for payment of this dividend to the transferee.

BRITISH-AMERICAN TOBACCO COMPANY LIMITED

9th February 1961

Stockholders who may be entitled by virtue of Article XIII(1) of the Double Taxation Treaty between the United States and the United Kingdom, to a tax credit under Section 901 of the United States Internal Revenue Code can by application to Morgan Guaranty Trust Company of New York obtain certificates giving particulars of rates of United Kingdom Income Tax appropriate to all the above mentioned dividends.

CONTINENTAL BAKING COMPANY

Preferred Dividend No. 89

The Board of Directors has declared this day a quarterly dividend of \$1.37½ per share on the outstanding \$5.50 dividend Preferred Stock, payable April 1, 1961, to stockholders of record at the close of business March 10, 1961.

Common Dividend No. 64

The Board of Directors has declared this day a regular quarterly dividend, for the first quarter of the year 1961, of 55¢ per share on the outstanding Common Stock, payable April 1, 1961, to holders of record of such stock at the close of business March 10, 1961.

The stock transfer books will not be closed.

WILLIAM FISHER
TREASURER

February 8, 1961



P. Lorillard Company

AMERICA'S FIRST TOBACCO MERCHANTS • ESTABLISHED 1760



DIVIDEND NOTICE

Regular quarterly dividend of \$1.75 per share on the Preferred Stock and regular quarterly dividend of \$.55 per share on the outstanding Common Stock of P. Lorillard Company have been declared payable April 1, 1961, to stockholders of record at the close of business March 3, 1961. Checks will be mailed.

G. O. DAVIES, Treasurer

New York, February 15, 1961

First With The Finest—Through Lorillard Research

Cigarettes

OLD GOLD STRAIGHTS Regular King Size	KENT Regular King Size Crush-Proof Box	NEWPORT King Size Crush-Proof Box	SPRING King Size
OLD GOLD FILTERS King Size	Little Cigars	Chewing Tobaccos	EMBASSY King Size
Smoking Tobaccos	BETWEEN THE ACTS	BEECH-NUT BAGPIPE	TURKISH Cigarettes
BRIGGS UNION LEADER FRIENDS	MADISON	HAVANA BLOSSOM	MURAD HELMAR
INDIA HOUSE			

WASHINGTON AND YOU



BEHIND-THE-SCENES INTERPRETATIONS
FROM THE NATION'S CAPITAL

WASHINGTON, D. C.—The United States got on the road that leads to the welfare state during the Administration of President Franklin D. Roosevelt. The pace has been slowed down on occasion since then, but it apparently is going to be stepped up during the Kennedy regime.

In 1935 Congress passed the first social security act providing for certain benefits and for public retirement systems. More than 25 years later, 93% of the nation's workers are covered under the old age, survivors, and disability insurance program or under other Federal or State-local retirement systems. The Federal Government further provides or aids in financing assistance to needy groups.

As he promised the American people in his campaign addresses, President Kennedy is now calling for Congress to pass legislation which would let the United States Government, through the taxpayers of course, assume more obligations. With these obligations, naturally, the Government is going to need more and more money.

Where is the money coming from? The wage earners, and employers. The Kennedy proposal calls for the Government to assume the major costs of hospital, clinical and nursing care for every citizen covered by Social Security who reaches the age of 65. This would be done by each working person with a Social Security number, regardless of his ability to pay.

More to Come

To pay the major hospital and nursing care costs, Congress would put another tax on the payroll check. The "deducts" are already hurting millions of our workers. Apparently they might as well grit their teeth, because Social Security taxes are going up in the future.

President Kennedy said in his message to Congress that under the provisions of his legislation that the cost of the doctor's bills are not included. Nor does it restrict the citizen's choice of his doctor or hospital.

A pertinent question for all concerned is: If it is the responsibility for the Federal Government to pay the hospital costs of its citizens 65 years old or older, why does the responsibility stop short of paying the doctor's bills?

Furthermore, if it is the responsibility of the Central Government in Washington to pay the hospital costs of people 65 years and older, why shouldn't it become available at 55 or 45? Why not let it cover everyone who is having his wages deducted under the Social Security program?

The proposal abandons the long held concept that those able to pay hospital costs should do so. Yet perhaps there is a reason for abandoning this concept. Those that pay the tariff unquestionably feel that they should be eligible for the benefits if and when the time comes for them to be hospitalized. If this provision is not borne in the legislation, the bill might have trouble of getting passed.

10% Level Soon

Nevertheless, the major question is whether or not the Federal Government, already burdened with responsibilities, should provide medical care once they have reached the age of 65.

The plan calls for increasing the Social Security tax by "only" 1/4 of 1% for employers and employees on salaries and wages up to \$5,000. This would amount to only \$12.50 a year.

It sounds like a very small sum, but Congress and the leaders should stop and realize that Social Security taxes are going up and up and up. It is already 6% of all salaries up to \$4,800. This is divided between employee and employer. The tax will amount to about 10% of salaries by 1969, if the increases already voted by Congress, plus pending proposals are carried out.

For years now it has been customary for Congress to pass Social Security legislation in election years. There are a series of bills pending before the House Ways and Means Committee that would further amend the Social Security laws. For instance, there is pending a proposal that would allow Social Security payments to men starting at the age of 62. Women already have this age provision in the present law.

Costs Thus Far

The records of the Department of Health, Education and Welfare show that during the past 10 years benefit payments because of loss of income due to old age, death, disability, or unemployment under Federal, State, or local programs have trebled.

In the 1960 calendar year, payments for these purposes amounted to the staggering figure of \$26,000,000,000. Of this amount, about \$24,000,000,000 was paid from Federally administered or Federally aided programs.

The Bureau of the Budget report to Congress, which former President Eisenhower submitted a month ago, showed that during the 1960 calendar year benefits were paid to an average of more than 20,000,000 families or single persons. The cost of these benefits, paid by employee and employer, amounted to 6% of our national income.

Nine out of every 10 workers and their families are now under the Federal old age, survivors and disability insurance system. President Eisenhower's message, obviously expressing the opinion of the Department of Health, Education and Welfare, made this statement:

"Coverage should be extended to Federal civilian employees and self-employed physicians, the largest group of regularly employed persons in our economy not now covered by this system. Benefit payments and administrative costs are paid from trust funds supported by payroll taxes shared equally by workers and employers and from contributions of the self-employed. The combined employer-employee rate is now 6% of covered payrolls. Under present law it will rise by steps to 9% by 1969."

It has been pointed out that the people in this country have been able to pay and obtain medical care through the various programs like Blue Cross or Blue Shield, to mention only a couple. These programs have produced favorable results as a whole, although they are costing more and more.

One reason for the increased costs of these private insurance



"I just bought fifty shares—I'm a part OWNER!"

plans is because so many more people are going to the hospital, because they have the insurance, and they are staying there a little longer than they stayed when they did not have insurance. This is one reason that hospital rooms are hard to get these days.

The "Voluntary" Program

In the last Congress there was authorized an expansion in Federal assistance for medical care of the aged through increased Federal participation under the regular old-age assistance program. It also authorized a new program of medical assistance for the aged who are not recipients of public assistance, but who nevertheless require aid to pay their medical and hospital bills.

Many people obviously believe that extension of the medical care assistance program through a voluntary program under Federal-State-local auspices, as authorized in 1960, is sound. President Eisenhower signed a bill providing for voluntary grants to the States. In the 1962 budget, he requested that the sum of \$400,000,000 be earmarked for public assistance for the old and new programs of medical care for the aged.

It is entirely too soon to determine the merits of the voluntary medical care. Only a few states have taken advantage of the unlimited Federal matching funds made available.

There are some arguments in the Nation's capital, and they appear sound, for the present, at least, that if the States either cannot afford or are unwilling to provide medical care for elderly citizens, why should the

Federal Government attempt it for everybody over 65? That is a pertinent question that should be answered, among others, before Congress carries us further along the road of the Welfare State.

[This column is intended to reflect the "behind the scene" interpretation from the nation's Capital and may or may not coincide with the "Chronicle's" own views.]

Named in Inv. In Amer. Program

LOS ANGELES, Calif.—W. Herbert Allen, civic and business leader, has been named Chairman of the Los Angeles County Invest in America program and observance this year (1961), it was announced by J. Earle Jardine, Jr., William R. Staats & Co., Executive Committee Chairman.

Mr. Allen, who recently retired as Chairman of the Board of Title Insurance and Trust Co., has been a member of the Invest in America Advisory Committee, since the inception of the program in 1949.

Invest in America, a year-round economic information and education program will be highlighted by the 13th annual observance April 30 through May 6. Initiated simultaneously in the cities of Philadelphia and Los Angeles, Invest in America is observed in more than 200 major metropolitan areas and cities.

Raymond Walden Opens

HOLLYWOOD, Fla.—Raymond E. Walden is conducting a securities business from offices at 1943 Tyler Street.

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COMING EVENTS

IN INVESTMENT FIELD

Feb. 16, 1961 (Chicago, Ill.) Investment Analysts Society of Chicago forum on economic methods.

Feb. 21, 1961 (Detroit, Mich.) Bond Club of Detroit 45th annual dinner at the Detroit Boat Club.

Feb. 24, 1961 (Houston, Tex.) Stock & Bond Club of Houston annual field day at the Champions Golf Club.

Feb. 24, 1961 (Philadelphia, Pa.) 37th Annual Mid-Winter Dinner in the Grand Ballroom of the Bellevue Stratford Hotel.

Feb. 27-28, 1961 (Pittsburgh, Pa.) Association of Stock Exchange Firms, Winter meeting of the Board of Governors at the Hilton Hotel.

March 9, 1961 (Chicago, Ill.) Investment Analysts Society Midwest Forum.

March 26-31, 1961 (Philadelphia) Institute of Investment Banking, Wharton School of Finance & Commerce.

April 7, 1961 (New York City) New York Security Dealers Association annual dinner at the Hotel Commodore.

April 12-14, 1961 (Houston, Tex.) Texas Group Investment Bankers Association of America 26th annual convention at Shamrock Hilton Hotel.

April 21, 1961 (New York, N. Y.) Security Traders Association of New York annual dinner at the Grand Ballroom of the Waldorf Astoria.

April 29-May 3, 1961 (Richmond, Va.)

National Federation of Financial Analysts Societies 14th annual convention at the John Marshall Hotel.

May 1-3, 1961 (Philadelphia, Pa.) National Association of Mutual Savings Banks 41st annual conference at the Penn-Sheraton Hotel.

May 8-9, 1961 (St. Louis, Mo.) Association of Stock Exchange Firms — Spring meeting of the Board of Governors.

June 22-25, 1961 (Canada) Investment Dealers Association of Canada annual meeting at Jasper Park Lodge.

Oct. 9-10, 1961 (Denver, Colo.) Association of Stock Exchange Firms, Fall meeting of Board of Governors at the Brown Palace Hotel.

Oct. 15-18, 1961 (San Francisco, Calif.) American Bankers Association annual convention.

Oct. 16-20, 1961 (Palm Springs, Calif.) National Security Traders Association Annual Convention at the Palm Springs Riviera Hotel.

Attention Brokers and Dealers:

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